

SENATE—Monday, August 3, 1987

(Legislative day of Tuesday, June 23, 1987)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the Honorable THOMAS A. DASCHLE, a Senator from the State of South Dakota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

He that dwelleth in the secret place of the most High shall abide under the shadow of the Almighty. I will say of the Lord, He is my refuge and my fortress: my God; in Him will I trust.—Psalm 91: 1-2.

Most High God, thank You for the profound assurance given us by the psalmist. In the light of this promise, earnestly I beseech You on behalf of the Senators, their staffs, and their families today. As we begin this week, with its predictable delays, diversions, frustrations, and tensions—grant to leadership and Members a very special sense of Your presence. Remind them of Your provision, Your awareness of their situation, Your promise to sustain, to strengthen, to support, to satisfy human need in the midst of controversy and conflict. Make the words of the psalmist relevant to the unfolding drama of these hours of pressure. In spite of us, if necessary, infuse this place with Your love, Your peace. In the name of the Prince of Peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, August 3, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable THOMAS A. DASCHLE, a Senator from the State of South Dakota, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. DASCHLE thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order the majority leader is recognized.

AGENDA

Mr. BYRD. Mr. President, I hope a little later to ask unanimous consent that the Senate proceed to take up the catastrophic illness legislation. If we can do that I suppose that could be disposed of today or certainly today and tomorrow, and I think it would be well if that item could be disposed of before we go out on the August break.

If there is objection to going to that, I shall ask for the regular order which will bring back the campaign financing reform bill. That legislation could be interrupted and would be during the afternoon if we can have ready the FSLIC conference report.

Also, I would hope to dispose of the Greenspan nomination during the afternoon.

So all in all, I should think that we should have some rollcall votes today, possibly about midafternoon or later, and I have discussed these briefly with the distinguished Republican leader and I hope that we might be able to make progress accordingly.

Mr. President, I ask unanimous consent that I may reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. Under the standing order the Republican leader is recognized.

Mr. DOLE. Mr. President, let me indicate to the majority leader that I think there will be an objection to the catastrophic illness bill. I understand there are a number of Members on both sides who are concerned about certain provisions but I will confirm that if the majority leader will let me know if he intends to make that request. I will have one of those who object on the floor.

I have asked staff to prepare a list of legislative matters which have been cleared on this side. I know some may not have been cleared on that side. But I will simply hand that list to the majority leader. There may be some things we cannot agree on. On drug testing, Calendar No. 97, I do not think we will agree to that.

Calendar No. 219, NTIA authorization; Coast Guard authorization; air-

port and airways authorization; NOAA authorization; and improving commodity distribution I guess would be cleared by tomorrow. We have already mentioned the FSLIC conference report, and then there is a bill by Senator WEICKER dealing with the *Titanic* that I will give to the majority leader.

Any of those we could agree on.

Mr. BYRD. Very well. I thank the distinguished Republican leader.

If the Republican leader will yield, I would like to begin at the bottom of the calendar and indicate certain measures that perhaps we could agree to do by unanimous consent: Calendar Order Nos. 280, 277, 272, 271, 269, 268, 261, 249; we could do those by unanimous consent and get them off the calendar.

There are some, among which I believe the distinguished Republican leader made some reference, that are linked to other calendar numbers and on which there may be some jurisdictional problems and maybe an amendment on which our staff is trying to work out time agreements.

I would assure the Republican leader that the staff on this side will be continuing to discuss with the staff on that side and our own staffs any effort to work out time agreements regarding some of these measures.

I note there are several measures that have been reported out of the Rules Committee, for example, Calendar Order Nos. 265, 266, 267, 275, and 276, which have been reported out of the Rules Committee on which there are holds on the Republican side of the aisle. I would hope those holds can be lifted.

I find it difficult to understand why all the holds are being placed on Rules Committee resolutions.

Mr. President, I ask that the time I have consumed be taken out of my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Perhaps the distinguished Republican leader would wish to respond.

Mr. DOLE. I cannot respond to the last request, but I will check the other calendar items the majority leader mentioned and see if we can dispose of those by unanimous consent. I will try to check into the reason for the holds on various resolutions from the Rules Committee.

Mr. BYRD. Yes. I noted one hold on a resolution that provides for the

printing of the pamphlet entitled "The Constitution of the United States of America." I wondered why anyone would want to hold that up.

Anyhow, I thank the distinguished Republican leader.

Mr. DOLE. I think there is some problem there, but I will try to find out precisely.

INTERNATIONAL SPECIAL OLYMPICS DAY

Mr. DOLE. Mr. President, today I want to pay tribute to the thousands of mentally disabled individuals in our Nation who are competing in the International Special Olympics this week.

Earlier this year, Congress enacted, and the President signed legislation, declaring the week of August 2 through August 8, 1987 as "International Special Olympics Week"; and today, August 3, as "International Special Olympics Day." We are celebrating this week what began as an experiment in the 1960's, and which has grown in the hearts and minds of those involved to equal the International Olympics. This week culminates a year in which more than 1 million athletes competed, in 16 official sports, in 19,000 grassroots programs, in every State of this Nation, and more than 70 countries around the world.

The Special Olympics Program, while testing physical fitness, has the ultimate goal of promoting the psychological and social development of the mentally handicapped. It strengthens their confidence, instills pride, and lets all of us know what they can honestly do if given the chance.

Yesterday, more than 4,000 mentally disabled individuals marched proudly into Notre Dame's Football Stadium. Their chins were held high, their faces showed confidence, their walk was determined. There was a sense of achievement that I think many of us would like to have. Even before the events began, I think it was obvious that the program has already achieved its goal.

While I honor the participants, I want to take a moment to acknowledge the work of Eunice and Sargent Shriver and the 500,000 volunteers who helped put the Special Olympics Program together this year. What began on the Shriver farm in Maryland 20 years ago has become a symbol to us all of what mentally disabled individuals can do. For myself, and I believe for all of us here, I would like to thank the Shriver family for their leadership and their dedication.

BICENTENNIAL MINUTE

AUGUST 3, 1944: HARRY S. TRUMAN RESIGNS AS TRUMAN COMMITTEE CHAIRMAN

Mr. DOLE. Mr. President, on August 3, 1944, 43 years ago today, Senator Harry S. Truman resigned as chairman, and member, of the Special Senate Committee to Investigate the National Defense Program. He took this action after receiving the Democratic Party's Vice Presidential nomination. His letter of resignation tells us a great deal about his sense of political propriety, and about the success of his committee.

He said:

It is one of the regrets of my lifetime that this had to be done. But frankly, under the present circumstances, I am of the opinion that any statement, hearing, or report for which I would be responsible would be considered by many to have been motivated by political considerations.

The Missouri Senator concluded:

The accomplishments of the committee in the past largely have been due to the fact that all its members, Democrats and Republicans alike, were able to work together in harmony without partisanship.

It was Harry Truman's work on the special committee that first brought him to national prominence. In early 1941, months before United States entry into World War II, he called for the creation of a Senate committee to examine military inefficiency and corruption. He initiated a personal investigation of wasteful practices at Fort Leonard Wood, MO, and ended up driving 30,000 miles visiting military bases in the South and East. Truman's hard work and enthusiasm helped convince the Senate to form the special investigative committee in March 1941, and to name him its chairman.

Senator Truman effectively led his committee in improving national defense by documenting widespread mismanagement. Despite the controversial nature of its investigations, the committee always produced unanimous reports. As chairman, Truman demonstrated dedication, integrity, and leadership ability. These qualities, in addition to his unassuming nature, made Truman one of the Senate's most admired and respected Members.

GERMANY IS NOT A PART OF THE INF TALKS

Mr. DOLE. Mr. President, the obstacles to an agreement on intermediate-range nuclear forces in Europe—or "INF"—have been falling one by one. Most recently, Soviet leader Mikhail Gorbachev accepted an American proposal which makes good sense. Global "double-zero" will make an agreement easier to verify, and will truly rid the world of an entire class of nuclear weapons.

Soon after this development, the United States negotiators informed their Soviet counterparts that we

would accept their proposal that all missiles covered by the INF agreement should be destroyed—not converted to other uses.

This is the way a negotiation should be. Now, with most of the disagreements on major principles ironed out, the way should be cleared for the negotiating teams to hammer out the all-important details. Let us not forget that this Senate is going to insist on the most effective verification regime possible.

With each new burst of optimism, I have cautioned that we should keep our feet on the ground. There is still much work to be done.

Unfortunately, instead of getting down to business on details, the Soviets are harping on 72 Pershing-1 missiles owned by the Federal Republic of Germany. Their dogged public pursuit of this issue can only be designed to cause dissension in NATO.

It will not work. The United States cannot break a long-standing pattern of cooperation with one of its closest allies; it cannot negotiate away what belongs to Germany. Neither should the Soviets expect us to stand idly by while they agitate for a concession which may appear to have originated in Bonn.

It is time to drop the issue of the German missiles, and get on with negotiating the details of an INF agreement—especially on verification. I hope that such an effort will be successful. But I know that the Soviets should not try to make us choose between an agreement and an ally.

Mr. President, I reserve the balance of my time.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for morning business not to extend beyond 12:30 p.m. today, and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AGRICULTURE EXPORTS

Mr. BOSCHWITZ. Mr. President, I wish to rise quite briefly to discuss agriculture exports and the most recent weekly roundup from the USDA showing that the situation in agriculture exports has indeed improved. For wheat, for the year that just concluded, a total of 22,300,000 tons were exported last year, in 1985-1986 year. This year, it was 24.5 million tons, an increase of about 10 percent. And that is the equivalent of about 900 billion bushels.

Corn also has gone up very nicely and grain sorghum. Soybeans is down just a little bit, though new orders are

about 3 times what they were at this point last year. So that there is apparently going to be a nice pickup there, too. Rice and cotton. Much has been said about rice and cotton. Indeed, they are up quite spectacularly particularly cotton. And then wheat, which began the new marketing year on the 1st of June, shows some really good signs of perking up.

Mr. President, wheat shows an increase of about 50 percent in this new marketing year that began on the 1st of June. Indeed, new orders are almost double what they were at this time last year.

I ask unanimous consent that a table with these figures be printed in the *RECORD* and also an article from the *Journal of Commerce*, dated July 27, 1987.

There being no objection, the material was ordered to be printed in the *RECORD*, as follows:

The 1985-86 data for corn and grain sorghum have been adjusted to include shipments reported during the month of September, so a meaningful comparison can be made. Data are measured in thousand units (metric tons/bales).

Commodity	Year beginning	Accumulated exports		Outstanding sales	
		1985-86	1986-87	1985-86	1986-87
Wheat	June 1	22,314	24,558		
Corn	Sept. 1	29,153	32,600	2,923	5,488
Grain sorghum	Sept. 1	3,936	4,141	875	931
Soybeans	Sept. 1	18,956	17,882	847	2,290
Rice	Aug. 1	1,521	2,247	271	436
Cotton	Aug. 1	1,756	5,826	176	839
		1986-87	1987-88	1986-87	1987-88
New marketing year: Wheat	June 1	2,440	3,352	4,927	8,019

[From the *Journal of Commerce*, Monday July 27, 1987]

U.S. GRAIN SALES LOOK UP

CHAMPAIGN, ILL.—Farmers in the United States, who have been through "six rough years," are beginning to regain important export markets for commodities like corn, the president of the U.S. Feed Grains Council said.

"We feel good to be able to start reporting that we've bottomed out and things are turning up," said Darwin Stolte, whose organization helps find customers for U.S. grain. "That's the encouraging signal."

Mr. Stolte said the value of U.S. agricultural exports, an important factor in a healthy farm economy, fell from \$44 billion in 1979-80 to \$26 billion in 1985-86.

And, in about the same period, the export volume of feed grains dropped from 71.6 million metric tons to 36 million tons, he said.

But Mr. Stolte said U.S. sales of feed grain abroad should increase by a total of 14 million tons this year and next year, partly because of a federal farm program that has lowered prices to competitive levels on the world markets.

World trade in feed grain will increase 7 million tons in that same two-year period, Mr. Stolte said.

"What those two numbers tell you is . . . We're starting to see recovery in the world marketplace," he said.

In addition, he said it shows that the 1985 federal farm bill is working.

"We're getting back a lot of that trade that we lost in previous years simply because we're being competitive," Mr. Stolte said.

That, he said, has persuaded some countries, like Australia and Canada, to reduce the acreage of crops that were growing to sell on foreign markets in competition with the United States.

Aggressive marketing of U.S. farm products also is helping to reverse the export slump, Mr. Stolte said.

Other factors are the lower value of the dollar, which makes our products less expensive abroad, and higher petroleum prices, which improve the buying power of oil-producing nations, he said.

He also said some nations like Egypt and Turkey are improving their economies and spending more money on food.

At the same time, Mr. Stolte said U.S. farmers are reducing their production, which will help get rid of the huge grain surplus that has depressed farm prices.

He praised a recent proposal by the Reagan administration that all nations end all export and internal subsidies on grain sales and production and open their doors to free world trade.

He said that was "a daring first step toward a more rational trading system for agricultural commodities," but he cautioned against the United States unilaterally dropping its farm subsidies.

Mr. Stolte answered questions at a news conference before a scheduled speech to a Champaign Chamber of Commerce dinner sponsored by its agricultural committee.

Mr. BOSCHWITZ. Mr. President, I conclude by saying that, as is mentioned in this article, it is the farm bill of 1985 that has given some new life to exports and has currently ended the downward spiral of the farm situation. So we are more optimistic now as we look to the future in rural America and certainly the farm export figures would back this up.

I yield the floor.

THE NATIONAL PRICE OF R&D CONCENTRATION IN THE MILITARY

Mr. PROXMIER. Mr. President a scholar named Jay Storsky has made an impressively documented study of the effect of the heavy concentration of much of America's science and technology on military weapons research. Storsky is a research fellow at the Berkeley Roundtable on the International Economy. He has written a report of his study in the fall 1986 issue of the *World Policy Journal*. This scholar concludes that the dominance of the military in American research in many areas is already adversely affecting the scientific and commercial progress of this country in some important respects. Many of our best and brightest scientists are being diverted to military research that has little or no relation to building a stronger economy. In fact Mr. Storsky concludes that the way the Defense Department presently conducts its re-

search could have at least two major adverse consequences for America's leadership in science and technology. First as the current military technology requirements grow more over specialized and unrelated to economic competition the billions of dollars the Government spends on military R&D pull available scientific personnel and resources away from research that could benefit our civilian sector. Second, as the Defense Department sees military technology lagging behind commercial technology, it has pushed American commercial firms into its own Pentagon R&D sector to boost the military performance. Storsky argues "it would be ironic if this effort ended up undermining not only the technical superiority of the Pentagon's weaponry but the very organizational habits that enabled America's civilian high-tech sectors to be so innovative and commercially successful in the first place."

Mr. President, the arithmetic of the DOD big government invasion of America's economic technology is impressive. Roughly a third of this country's spending on R&D is defense related. It's worse. According to a 1983 National Science Foundation report between 70 and 80 percent of the funding for the real cutting edge technologies is military. That's the lasers, advanced material and artificial intelligence. A 1985 NSF report showed that about three quarters of all federally funded R&D is presently linked to military programs up from 50 percent in the late 1970's. And a 1985 article in *Physics Today* reports that only 2 percent of the DOD R&D money is for basic research and less than 20 percent goes for R&D of basic technologies most likely to produce commercial spin offs that could enhance U.S. competitiveness in world markets.

Storsky offers a vivid example of how the dominance of military technology in the United States and the absence of military technology in Japan handicaps our country in its competition with the Japanese. He cites the different treatment of research with respect to lasers in the two countries. For America with our emphatic priority for the strategic defense initiative [SDI] or star wars—nearly all of SDI's x-ray laser research aims at extremely high-powered application—specific uses—in fact typically powered by a nuclear explosion.

Now how about the Japanese? In a June 1986 article in *High Technology* Kerry Fineran points out that the Japanese Government is funding private commercial research into lasers for immediate nonmilitary purposes. That is carbon dioxide and solid state lasers designed for industrial uses, such as welding and semiconductor diode lasers that can power compact

disc players and fiber optics communications equipment.

Mr. President, our country has many great military advantages—including our relatively sheltered geographic location, our large and skilled population, our rich national resources, our immensely productive free economic system. But in this era of military technology our scientific excellence is crucial. How tragic it would be for our national security and our survival as a great nation if we permitted the diversion and perversion of this scientific excellence for short-term fleeting military advantage.

THE KUWAIT REFLAGGING FIASCO

Mr. PROXMIRE. Mr. President, now let's get this straight. The United States is providing armed escorts to ships flying American flags that don't belong to us, which are carrying oil that is not going to us, for countries that won't escort their own ships. We are taking risks for an oil-producing nation that tried to blackmail us and bring us to our knees economically. American lives will be in jeopardy because this same country refuses to allow us to base minesweepers in their ports to protect their ships and their oil from mines.

Speaking of mines, the United States, the greatest sea power in the world has a grand total of three 40-year-old active duty minesweepers—all based on the east coast. Minesweepers, after all, are not glamorous budget items.

Meanwhile, overhead in the Persian Gulf, the Saudi's will not allow the aircraft we sold them to protect our ships. Nor will they allow us to station our aircraft in their country to protect our ships. Our aircraft are subject to attack from Iranian United States-made Hawk missiles which may be operational only because we sold them the spare parts in the covert Iran arms-for-hostage deal.

Our good friend, the People's Republic of China, to whom we are selling arms, has supplied Iran with missiles which could attack our ships. Our friends the Swedes have provided the fast patrol boats for Iranian hit and run missions. The Iranians are flying one of the most advanced fighters in the world—the F-14 with its Phoenix missile system because we imprudently sold them to the Shah.

So who do we have to thank when our first ship gets hit or goes down? There are so many choices to pick from.

MALCOLM BALDRIGE

Mr. COCHRAN. Mr. President, our Nation has suffered a great loss because of the death of Secretary of Commerce, Malcolm Baldrige. He was

so well liked and so well respected by all who knew him. He was kind and considerate to others, but he was very intelligent and could be bluntly decisive when forming and expressing his opinions about things.

Mac Baldrige was a real leader, too. He was persuasive. He had the ability, the self-confidence, and the skill to influence others; to make them think like he did because they were convinced he was right.

He had that effect on me, Mr. President. I remember hearing him discuss his concern that our Nation's businesses were at a disadvantage in their effort to compete with foreign businesses because of some of our own laws and our regulations.

One example was the antitrust law, section 7 of the Clayton Act to be specific, which is being interpreted and applied by some courts to prevent the merger of businesses and companies engaged in similar activities.

It was his opinion that this law ought to be modernized; that it ought to be brought up to date, and that the effect of foreign competition ought to be considered when we were determining whether or not a merger would result in anticompetitive or monopolistic business power.

I hope that when we get around to changing that law, Mr. President, we remember who it was who so forcefully urged that we consider the practical effect that this law was having on our failure to compete more effectively in the international and even the domestic marketplace.

For many of us, Malcolm Baldrige was also a good friend and he will truly be missed very greatly.

Our thoughts and prayers go out to his fine family.

At this time I cannot help but feel that all of us have been blessed to have had the benefit of his wisdom, his personality, and his force in our Government. I wish that we had more men like him.

I yield the floor, Mr. President.

THE COMMUNITY EFFORTS OF MR. JAMES C. BECKETT

Mr. FORD. Mr. President, I rise today to salute the community oriented efforts of one of my constituents, Mr. James C. Beckett, of Cynthiana, KY. All too often here in Washington we tend to think and believe that we have a monopoly on the best solutions to the many problems troubling our States, cities, and small communities. We sometimes think that these solutions can only be realized through our broad, national approaches to these problems. Mr. Beckett, however, reminds me that there is an important message that should not be missed as we address the business of the Senate.

The message is quite simple, and it is not new. But it deserves restating from

time to time as a reminder to national policymakers. The message is this: The best solutions in this country often come from those that have the problems. Although there are many vital programs which have been developed at the Federal level and which we should continue to strongly support, it is still true that the most successful communities in this country are those with people interested in seeking their own solutions and helping themselves and those around them.

Mr. Beckett is such a person. He is a leather craftsman in Cynthiana, KY and, among other things, he is especially concerned with the many difficult problems confronting the youth in this country. In particular, Mr. Beckett has been supportive of the many people and programs designed to help young people to "say no" to drugs.

Mr. President, I recognize this leather craftsman from Cynthiana today for his special efforts to find a way in which he could personally contribute to a solution to the drug problems facing young people in his community. Mr. Beckett contributed his most valuable resources—his hands and his experience—and has crafted a large number of jacket zipper tabs with the words "Say" and "No" inscribed on them. Together with the Cynthiana Downtown Merchants Association, several programs have been planned this fall for the youth of Harrison County, KY relating to this problem, and Mr. Beckett hopes to distribute the tabs to every child in the county. His efforts are part of a larger plan of the Cynthiana community to send this vital message to its young people.

Mr. President, I bring these actions to the attention of the Senate as an example of the necessary ingredients of potentially successful solutions. I believe the efforts of Mr. Beckett and the citizens of Harrison County in helping themselves to help their young people are as valuable as any broad solution that could have been crafted at the national level. I therefore commend Mr. Beckett for his actions and intentions, and hope that he will serve as a role model for many others in his community and beyond.

FUTURE UNITED STATES ASSISTANCE TO PAKISTAN

(Note: In the RECORD of Friday, July 31, 1987, during the remarks of Mr. GLENN, one of the exhibits requested to be printed in the RECORD was omitted, that is, an article from the London Sunday Times of July 26, 1987. In the permanent RECORD the article will be included in the middle column of page 21882, as follows:)

[From the London Sunday Times, July 26, 1987]

A-BOMB PLOT IS LINKED TO EMBASSY
(By Mark Hosenball and James Adams)

Pakistan's embassy in London was directly involved in an unsuccessful attempt to buy special steel used in the production of nuclear weapons, according to American intelligence officials investigating a suspected plot in the United States to export nuclear bomb materials illegally to Pakistan.

The allegation casts further doubt on denials by the Pakistani government that it knows nothing about secret efforts by businessmen in Canada and London to obtain the special, high-grade steel for export to Pakistan.

Last week, The Sunday Times revealed that Mohammed Iqbal Fareed, 55, a Canadian national with business interests in London, had been identified as a suspect in the plot.

Between April and August 1985, American intelligence sources say, Abdul Jamil, an official at the Pakistan embassy in Lowndes Square, London, contacted the London sales office of Carpenter Steel, a Pennsylvania company which makes a super-hard metal called maraging steel.

Jamil indicated that the Pakistani government was interested in acquiring 50,000 pounds of the metal.

Because of its use in the production of nuclear weapons, the steel cannot be exported from the United States without a special export permit and, according to American officials, Carpenter Steel sought assurance from the Pakistanis that the material would not be used in their nuclear weapons programme.

The deal never went through because the American commerce department ordered Carpenter Steel to cancel it.

Jamil said he was merely . . . an accounts officer and that he knew nothing about weapons technology. He said that in February 1985, the embassy had contacted Carpenter's office in Worcestershire asking for details on a "few types of steel". Jamil said: "They sent us details of stainless steel they produced. But they also told us about maraging steel."

Jamil said that in April that year a representative from the company visited the embassy to follow up the inquiry. "I asked our defense procurement people in Pakistan if we needed any maraging steel, which I understand is used for making missile parts and rifle barrels."

Jamil said he was mystified by the allegations. He said a small order for stainless and maraging steel was placed. When the company said there would be problems over export licenses for the latter, he told them to forget about it.

The Americans have long suspected that Pakistan is actively pursuing a nuclear weapons programme. The new wave of allegations came two weeks ago after American Customs agents in Philadelphia arrested Arshad Pervez, a Toronto businessman, and charged him with attempting to obtain 50,000 tons of maraging steel from Carpenter Steel and illegally export it to Pakistan. Pervez is being held without bail in an American prison.

American officials now believe that after the Pakistani embassy in London failed to acquire the steel through a direct approach to the American manufacturer, the Pakistani government activated a clandestine network of front companies set up for the express purpose of secretly obtaining nuclear bomb materials from the West.

The latest revelations are expected to fuel demands in Congress for a curb on American aid to Pakistan.

TRIBUTE TO MRS. MABEL AMOS

Mr. HEFLIN. Mr. President, I am proud to rise, today to pay tribute to a dear friend, Mrs. Mabel Amos, of Montgomery, AL, who provided many, many years of outstanding service to my home State of Alabama. Mrs. Amos began her public service in 1931, when she was appointed to the Revenue Department by Gov. Benjamin Meek Miller. In 1939 she was appointed by Gov. Frank Dixon as an assistant in his office, and he later named her recording secretary. From 1939 to 1966 she worked under six different Governors as recording secretary, serving until 1966, when she ran and was elected to the office of secretary of state. Mrs. Amos then served for two terms as secretary of state.

Though Mrs. Amos retired from public service in 1975, she was the honoree of a surprise dinner that was held on January 29 of this year. Former Governors, Supreme Court Justices, appellate court judges, State senators and representatives, and many others who have loved and admired her throughout the many years of her public service attended, toasted, and roasted her. The next day the mayor of Montgomery issued a proclamation which declared January 30, 1987, as Mabel Amos Day.

Mrs. Amos richly deserves all praise and thanks which could ever come her way. She has worked through many years to help make Alabama what it is today. And throughout her service to our State she has won the respect of all.

Mr. President, I have finally received a copy of the proclamation which was made by the mayor of Montgomery, as well as an editorial that was made on television and a document entitled "Saluting the Record of Mabel S. Amos." I ask unanimous consent that these documents, as well as a letter that I wrote to Mrs. Amos that was read at the dinner, be included in the CONGRESSIONAL RECORD. I hope that each of my colleagues has an opportunity to see what an outstanding service Mrs. Mabel S. Amos has provided to my State and our Nation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SALUTING THE RECORD OF MABEL S. AMOS

Recently, the many friends of Mabel S. Amos from across the State of Alabama gave her a "Surprise Dinner Party", honoring her for her many years of dedicated public service.

She was roasted, toasted, and generally discussed by former governors, supreme court judges, as well as appellate court judges, senators and representatives of the Legislature, preachers, dignitaries and many, many others who worked with her over the past forty-four years.

Mabel Amos came to Montgomery from Conecuh County during the depth of the Deep Depression in 1931. Governor Benjamin Meek Miller gave her a job as a state employee and assigned her to the Revenue Department. She was among a limited number that the Governor personally appointed and she served throughout his administration. She later worked for the Alabama Legislature during a number of sessions where she made many valuable contacts.

In 1939, Governor Frank M. Dixon appointed her as an assistant in his office, later naming her as Recording Secretary, where she served for the next twenty-eight years, being appointed, at the beginning of their terms, by the following:

Governor Frank M. Dixon, 1939-1943;
Governor Chauncey Sparks, 1943-1947;
Governor James E. Folsom, 1947-1951;
Governor S. Gordon Persons, 1951-1955;
Governor James E. Folsom, 1955-1959;
Governor John M. Patterson, 1959-1963;

and Governor George C. Wallace, 1963-1967.

In 1966, Mabel S. Amos while she was still serving as Recording Secretary to Wallace, took a leave of absence to run for the office of Secretary of State. She did not receive a clear majority of the votes but had such a commanding lead her two opponents withdrew thereby relieving her of a run-off.

During her term, she made such an enviable record trying to discharge the duties and responsibilities pertaining to the election laws under the provisions of the newly enacted Voting Rights Act. She was therefore re-elected for another four year term without Democratic opposition.

Under the present law, the Secretary of State cannot run for re-election but for one additional term.

Mabel S. Amos retired at the end of her second term in 1975.

A TRIBUTE TO MABEL AMOS

January 30, 1987.

If Alabama politics is your thing, you should have been with me last night. I can honestly say I have never seen, under one roof, such a gathering of prominent political figures from Alabama's past and present. And they all came . . . some from considerable distance . . . to pay tribute to one of the great ladies of state government and state politics—Mabel Amos.

If you don't know Mabel, that's your loss. From the Brooklyn community of Conecuh County, Mabel came to Montgomery in 1931 to become a state employee. In 1939 Gov. Frank Dixon appointed her as his recording secretary. For the next 28 years governor's came and governor's went, but Mabel Amos stayed put. She became as much a fixture at the Capitol as the Jefferson Davis Star. After Dixon's term expired, she served as recording secretary for Govs. Chauncey Sparks, Jim Folsom, Gordon Persons, Jim Folsom a second time, John Patterson and George Wallace.

One of those governors, John Patterson, recalled last night that when he took office he contemplated putting one of his friends in Mabel's job. Very quickly he was told by a host of lawmakers that if he replaced Mabel he could forget his legislative program. Mabel stayed.

Patterson was but one of a roomful of active and no-longer active politicians and state officials who paid tribute to this lady. Former Gov. Albert Brewer, so rarely seen in these parts, was the master of ceremonies

... there were judges and retired judges ... almost forgotten cabinet members of the past ... legislators ... and in a nice touch, also present were the daughters of Govs. Persons, Folsom and Wallace. There were people in that room who had been bitter political enemies, but they sat side by side last night because of one common denominator—their respect and love for Mabel Amos.

It was truly a remarkable gathering for a remarkable lady.

And that's the way we see it tonight.

BOB INGRAM,
Editorial Director.

PROCLAMATION

Whereas, Mrs. Mable Sanders Amos has been and continues to be a respected citizen of the City of Montgomery; and

Whereas, Mrs. Mable has served eight governors of the State of Alabama by being the personal secretary to Governor Frank Dixon and Recording Secretary for Governor Frank Dixon, Governor Chauncy Sparks, Governor James Folsom, Governor Gordon Persons, Governor John Patterson, Governor George Wallace, Governor Lurleen Wallace and Governor Albert Brewer; and

Whereas, Mrs. Mable has dedicated her life to her beloved State of Alabama and has served with distinction, advancing steadily in her career to positions of more and more responsibility, always demonstrating her willingness to place her concern for the public good ahead of her personal interests; and

Whereas, throughout her career, Mrs. Mable has earned the admiration and high regard of those with whom she has come into contact, and the affection of a host of friends; and

Whereas, Mrs. Mable retired from public life in 1975 after forty three years of public service including eight years as Secretary of State for the State of Alabama; and

Whereas, it is fitting and proper that Mrs. Mable be honored by her friends and admirers by a dinner given in her honor at the Montgomery Country Club on January 29, 1987;

Now, Therefore, I, Emory Folmar, Mayor of the City of Montgomery, Alabama, do hereby proclaim January 30, 1987, as Mable Amos Day in the City of Montgomery as an expression of appreciation for the years of dedicated service to the people of the State of Alabama.

UNITED STATES SENATE,
Washington, DC, January 22, 1987.

Mrs. MABEL SANDERS AMOS,
Montgomery, AL.

MY DEAR MABEL: I certainly do wish that I could take part in the "Roast" which is being held in your honor. Yet, though I am unable to attend, I would like to take this opportunity to thank you on behalf of every citizen of Alabama for the tremendous service that you have provided. We are all in your debt for your work as Recording Secretary to the Governor, and for the leadership you provided as Secretary of State.

In this history of our state, many people have offered their efforts and their involvement. Many have dedicated their labors and their time to accomplish the various achievements which have been realized in the past. However, I know of very few individuals who have matched the contributions you have made. Though some may think that you did not pursue the profession for which you were trained in college—that of

being a teacher—they are gravely mistaken. Not only have countless people learned from your devoted service to the public and to our state, but you have also helped to teach six different governors the way to govern. From 1939 through 1965, as they came and left, there was one constant in Montgomery; Mabel Amos was in charge.

You should feel very proud for all that you have done. Moreover, throughout your work, you have maintained the highest standards of honesty and integrity—qualities which have endeared your name to people everywhere. I commend you for your efforts.

In the future, I know that you will enjoy every happiness and that your life will be full with continued friendship.

With kindest personal regards, I am

Sincerely,

HOWELL HEFLIN.

TRIBUTE TO KENNETH L. ADELMAN

Mr. PRESSLER. Mr. President, yesterday I became aware that the Director of the Arms Control and Disarmament Agency [ACDA], Kenneth L. Adelman, has decided to retire from that position to return to a career in the private arena. His departure from ACDA will be a great loss for that agency, our Government's arms control efforts, and the Nation. He has been an outstanding spokesman for President Reagan's administration and policies.

Mr. Adelman has done a superb job of managing the Nation's arms control agenda. Although I originally opposed his nomination, I realized my opposition was a mistake after he had occupied the directorship of ACDA for only a short period of time. In short, he quickly gathered up the leadership reins at ACDA and, for the past 4 years, has managed the agency and a broad variety of arms control issues in a highly professional manner. My opposition rested primarily on my concern that it was unwise, with major U.S. arms control initiatives in progress in early 1983, to replace Eugene Rostow, a highly experienced and able diplomat, as ACDA Director. Ken Adelman simply proved me wrong. He has been a forceful advocate for arms control—for the elimination of chemical weapons and the sharp reduction of nuclear weapons.

He also has educated our allies and the American people on the fundamental importance of keeping arms control within a mature perspective. That perspective says that arms control efforts are important, but should not be allowed to obscure the necessity of maintaining our national security and a world balance of power that deters aggression.

Mr. President, I commend Kenneth Adelman for his superb record as Director of ACDA. I strongly believe that, long after his resignation becomes effective, he will continue to contribute his intelligence, articulateness, and vigor to the important cause

of national leadership—not only on arms control issues, but also in many other areas. I know that most of our distinguished colleagues share my respect for his fine record of public service and wish him well in his future endeavors.

IMPORTS OF COTTON SHEETING FROM THE SOVIET UNION

Mr. THURMOND. Mr. President, more disquieting news regarding Soviet imports of cotton sheeting has recently been brought to my attention. I am amazed that the administration has taken unilateral action which allows the Soviet Union to import into this country more than 4 million square yards of cotton sheeting over the next 12 months. This action takes place at a time when the most recent Department of Commerce textile and apparel trade statistics are alarming.

For January through May, the textile and apparel trade deficit increased by 22 percent over the same period last year to a new recordbreaking \$9.6 billion. This represents a \$1.7 billion increase. At this rate, the textile and apparel trade deficit for 1987 will reach an unbelievable \$23 billion.

In light of these statistics, I find it hard to believe that this administration would pursue a course so beneficial to our greatest adversary. Every year we spend billions of dollars to strengthen our military defense. The major reason we spend these vast amounts is to protect the citizens of this Nation from the Soviet threat of domination. Yet, the administration, through this policy of opening our market to the Soviets, is making them stronger at our expense. For every new textile job created in the Soviet Union as a result of this policy, an American worker loses his or her job.

In summary, it is unsound policy to make the Soviets stronger at our expense. Stated simply, exporting textile jobs to the Soviet Union by virtue of this unilateral action makes no sense whatsoever. The best approach the administration can take is to stop any further shipments of textile and apparel imports immediately. At a minimum, a prohibition must be imposed at the end of the 12 month period to prevent a potential flood of these products from inundating the United States and displacing even more textile and apparel jobs.

Before concluding, I would like to bring to the attention of this body that the Finance Committee last week reported S. 549, the Textile and Apparel Trade Act of 1987. In light of unilateral action by the administration favorable to the Soviet Union and the most recent devastating Commerce Department statistics, reporting of this bill could not be more timely. I

urge swift consideration of this vital legislation.

Mr. President, I ask unanimous consent that a copy of a letter regarding imports of Soviet Cotton Sheeting sent by me to Ambassador Clayton Yeutter, the United States Trade Representative, on July 30, 1987, and testimony given by me last week before the Senate Finance Committee regarding S. 549, the Textile and Apparel Trade Act of 1987, be included in the RECORD following these remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,

Washington, DC, July 30, 1987.

Ambassador CLAYTON YEUTTER,
The United States Trade Representative, Executive Office of the President, Washington, DC.

DEAR AMBASSADOR YEUTTER: I have recently been informed that the Administration has decided to allow the Soviet Union to import over 4 million square yards of cotton sheeting into the United States in the next 12 months. It is extremely disturbing to me that the Administration has agreed to allow such a vast amount of cotton sheeting to enter our domestic market.

As you know, textile and apparel imports are gravely threatening the continued existence of these domestic industries. Recent Department of Commerce statistics show for the first five months of 1987, the textile and apparel trade deficit increased by 22 percent over the same period last year to a new record-breaking \$9.6 billion. At this rate, the textile and apparel trade deficit for 1987 will reach an unbelievable \$23 billion.

I do not understand how the Administration can allow a new textile supplier to enter our domestic market when current textile imports are costing us thousands of jobs. Some believe that the Soviet Union, our greatest adversary, could become a major textile and apparel supplier. This must not be allowed to happen. The Soviets will exploit and take advantage of this opportunity to ship additional textiles and apparel into the United States.

I believe that the best approach the Administration can take is to stop any further shipments of textile and apparel imports from the Soviet Union. I urgently request that this action be taken at the end of the 12-month period, if not sooner, to prevent a potential flood of these products from inundating the United States and displacing even more textile and apparel jobs.

With kindest regards and best wishes,
Sincerely,

STROM THURMOND.

TESTIMONY BY SENATOR STROM THURMOND
BEFORE THE SENATE FINANCE COMMITTEE

Mr. Chairman, I would like to thank the distinguished Members of this Committee for giving me the opportunity to testify in favor of S. 549, the Textile and Apparel Trade Act of 1987. It is most appropriate that this Committee hold hearings on this vital legislation so soon after passage of major trade legislation by the Senate.

Passage of the major trade bill is a step in the right direction toward solving the trade problems facing this Nation. But an important part of solving our trade problems includes passage of the Textile bill. Over two million jobs in the textile and apparel indus-

try, more than the steel and the automobile industries combined, are at stake. Without passage of this bill, we simply are exporting these jobs to foreign competitors, making them stronger at our expense.

As this Committee begins consideration of S. 549, I believe you will find the most recent textile and apparel trade statistics alarming. Although we heard many, many statistics quoted during the Senate's consideration of the trade bill, I am compelled to quote the most recent ones relating to textile and apparel trade released by the Commerce Department. Figures released by Commerce show that for January through May, the textile and apparel trade deficit increased by 22 percent over the same period last year to a new record-breaking \$9.6 billion—a \$1.7 billion increase over last year. At this rate, the textile and apparel trade deficit for 1987 will reach an unbelievable \$23 billion!

As dismal as these statistics are, there is more bad news for the textile industry. Measured in square yards, textile and apparel imports reached a record level for the first five months of this year. From January through May, textile and apparel imports totaled a massive 5.5 billion square yards, a 5 percent increase over the same period last year.

The most astonishing fact is that these record levels were reached in spite of the Administration claims that they have negotiated tighter bilateral agreements with foreign importers. The truth is that the Administration has taken no effective action to assure the more than 2 million Americans employed in this industry that their jobs are secure. Unless Congress takes prompt action to stop the flood of textile and apparel imports, the devastation will drive this domestic industry to extinction. Some two million Americans employed in this industry could suffer the tragedy of losing their jobs.

Further dismal statistics make it clear that this possibility is becoming a reality. Over 1000 textile and apparel plants have closed since 1980. Some 300,000 textile and apparel jobs have been lost to imports in the last several years. Incredibly, one-half of all textile and apparel goods sold in the United States are made abroad.

Along with these statistics, a recent study by the Office of Technology Assessment (OTA) warrants serious consideration by the members of this committee. OTA was created in 1972 as an analytical arm of Congress. Its basic function is to help legislative policymakers anticipate and plan for the consequences of technological change and to examine its impact on our citizens. OTA provides Congress with independent and timely reports in many areas—one being the U.S. Textile and Apparel Industry.

OTA recently issued a report entitled the U.S. Textile and Apparel Industry: A Revolution in Progress. Its conclusions are most disturbing. This report concludes that "despite the optimism made possible by technical progress, U.S. textile and apparel firms are in danger . . . in spite of these remarkable advances, the industry is gravely threatened."

The OTA report draws the following conclusion:

" . . . if penetration of U.S. apparel markets were to continue at the pace of the past decade, domestic sales of U.S. apparel firms would approach zero by the Year 2000, while two-thirds of the U.S. textile market would be served by [foreign] imports."

With this dangerous trend in mind, it is irresponsible for us as elected officials to

stand by and fail to act when fellow Americans face such a bleak future. The livelihood of some two million American families depends on the textile mill, most of which are located in small towns across this Country. When a textile mill shuts down, its closing is a disruptive, shocking, and awesome experience. To some, the pain can compare to the loss of a loved one. The adverse economic impact of a community resulting from the closing of a mill can be devastating. A plant closing causes permanent scars. The disappointment, disillusionment, and frustration is lasting.

During consideration of the major trade bill, some argued that a global market approach will create new jobs in this country. The implication is that these new jobs will be filled by displaced textile and apparel workers. This is simply not the truth. New jobs in the utilities field, the health industry, or with legal or consulting firms offer no comfort to out-of-work textile employees. Their training and skills learned on the job are not transferable to these other industries. If foreign imports put a textile or apparel worker in the unemployment line, there is no guarantee that he or she will find work elsewhere.

Before closing, I would like to briefly comment on several provisions included in S. 1420, the major Senate trade bill. Regarding that legislation, it was often described as a "generic" bill, one which provides no special protection to any particular industry. My review shows this is simply not the case. This bill provides protection and support for several domestic industries. One provision, somewhat similar to the textile bill, limits imports of lamb. This section mandates the imposition of lamb quotas which would prevent lamb imports from rising above 28.5 million pounds per year. This provision will protect the lamb industry from the prospect of greatly increased imports.

Another provision helps the domestic steel industry. It requires the United States Trade Representative to seek bilateral agreements which restrain imports of welded steel fence panels, wire fabric, and welded steel wire mesh for concrete reinforcement. Still, another provision helps the telecommunications industry by directing that negotiations be undertaken to require foreign countries to open their markets to U.S. telecommunications goods and services.

Yet another provision extends unemployment benefits under the trade Adjustment Assistance Program to oil and gas workers who lost their jobs due to foreign imports.

There are other provisions included in the major trade bill which time does not permit me to discuss. After a review of these "special interest" provisions, I want to make it clear that they may be worthwhile and needed to help many domestic industries. In view of these provisions included in the Senate trade bill, the argument that the "Textile and Apparel Trade Act of 1987" does not merit support because it provides assistance to a specific industry, lacks substance.

In closing, I urge you to look at this legislation with an open mind. A vote against it is a vote in favor of exporting some 2 million textile and apparel jobs to foreign countries. It is not right to turn our back on these dedicated Americans.

Again, I appreciate the opportunity to testify regarding this vital legislation.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. BYRD. Mr. President, has morning business closed?

The ACTING PRESIDENT pro tempore. Morning business is closed.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I indicated last weekend that it would be my hope to be able to proceed to the consideration of the catastrophic illness legislation today. Senator BENTSEN is on the floor. As chairman of the Committee on Finance, he has reported out the bill, S. 1127, a bill to provide for Medicare catastrophic illness coverage, and for other purposes.

I have discussed taking up this measure with the distinguished Republican leader upon more than one occasion. He has made a bona fide, conscientious, sincere, and dedicated effort to get consent on his side for us to take it up. He has had some problems in that regard, but I do know for a fact that the Republican leader has made these efforts. I do not believe the Republican leader ought to do all the objecting himself on that side.

I am going to ask unanimous consent shortly to take up the Bentsen bill.

Before doing that, I should call attention also to a nomination on the Executive Calendar, the nomination being Calendar No. 212, M. Peter McPherson, of Virginia, to be Deputy Secretary of the Treasury, vice Richard G. Darman, resigned.

I understand there is a problem with that nomination, that a point of order can be made against it.

Mr. BENTSEN, again, is chairman of the Committee on Finance having reported the nomination, and he is on the floor and prepared to proceed to make that point of order.

UNANIMOUS-CONSENT REQUEST—MC PHERSON NOMINATION

If it is agreeable to all concerned, I shall ask unanimous consent at this point to go into executive session to take up the nomination of M. Peter McPherson, of Virginia, to be Deputy Secretary of the Treasury.

Mr. President, I do make that request.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BENTSEN. Mr. President, I object. I make the point of order that the nomination is not properly before the Senate because it was reported by a committee when it was not authorized to meet.

The ACTING PRESIDENT pro tempore. The point of order is well taken.

MEDICARE CATASTROPHIC ILLNESS COVERAGE ACT

Mr. DOLE. Will the Senator yield?

Mr. BYRD. I am happy to yield.

Mr. DOLE. Mr. President, I am now advised that Senator WALLOP, who was to make the objection to proceeding to consider the Medicare catastrophic illness coverage bill, cannot be present until 1 o'clock, but I will make it on his behalf so I do not hold up the majority leader and the chairman of the Finance Committee.

Let me indicate that I have suggested that we ought to go on to the bill and then if there is determined opposition, we can talk about that. But there are about seven or eight on this side, and I understand there are not any on the other side, who are concerned about one or two provisions, who feel it is in their interest and in the interest of getting better provisions, not to proceed to the bill.

I think perhaps there is still some dialog going on, and basically we can work it out and can settle it this week. There are a couple of controversial provisions, one on prescription drugs and one on the tax. I assume they will be resolved once we get to the bill.

On behalf of Senator WALLOP, I would interpose that objection when the majority leader makes the request.

Mr. BENTSEN. If the majority leader will yield, Mr. President, catastrophic illness under the Medicare program coverage is long overdue. The House approved its bill on July 22. It is now up to the Senate. We should not be having this kind of delay because of some ideological maneuvering that may be taking place. Delaying action has a very direct impact upon the elderly and disabled who are most vulnerable. They are the ones incurring the highest health care costs. If we do not act, in 1988 we are going to see 10 percent of the elderly and disabled spend \$1 out of \$5 of their income on health and it is these individuals who often have to make the choice between paying for needed health care or buying basic food and shelter.

I understand there are a couple of controversial provisions associated with this bill. What we have done with the Senate bill is to create a basic premium to cover a portion of the cost of the benefit, and a progressive supplemental premium, in effect, to offset the balance of any new costs. The disabled and those above 65 will be reducing the law of averages for the individual. The elderly and disabled will be sharing responsibility of the financing of these benefits with their peers. I think it is a good approach that the committee has followed. Here you have a bill reported out of the Committee on Finance unanimously, 20 to 0. So there is excellent support for it.

There has been a lot of time to prepare for debate on this bill. The President addressed the issue first in his State of the Union Address in January of 1986 and again this year. We fol-

lowed his proposal immediately in the Finance Committee. The minority leader is a distinguished member of that committee and has been very supportive in participating in the effort to develop and consider this bill. The distinguished Senator from Minnesota, now on the floor, took an active and very constructive role in the consideration of this major measure.

Mr. President, we had our first hearings in January after the President's address. We moved very promptly on this initiative.

The Bentsen bill has been reported out now—it was reported out on May 29—over 2 months ago. The House passed its bill earlier, as I stated. We had the report language filed a week ago and I advised committee staff to be particularly responsive to any members of the committee or any Members of the Senate who had any questions concerning this piece of legislation so that all could move on with it.

Now, the problem we run into in the Finance Committee is, as soon as we get back here after the August recess, we are going to have reconciliation on our hands, including the problem of trying to raise additional funds. That is going to be a pressing responsibility for us and the effort will be all-engulfing. So we have, I think, in effect a window here where we could move on this bill and clear this item from one agenda in September.

Full consideration of this bill has occurred in committee. The Senate ought to be prepared to debate and move on with the issue. If Members think that all of a sudden any problems they might have with S. 1127 are going to go away during the recess, I think they are wrong. Instead, problems are going to be accentuated. I think we will find the pressures have increased, and I think we will find the staffs will be diligent and hard at work in coming up with amendments to the bill. All the interest groups, whether associated with industry or representing consumers or the elderly, all will get very much more involved beyond what lobbying they have already done. All of these groups and organizations have been given ample opportunity to testify and present their cases before the House and before the Senate. I strongly urge that we now move forward with the committee reported bill.

Mr. BYRD. Mr. President, the distinguished Senator from Texas, the chairman of the Finance Committee, has made a strong case for proceeding with the measure, indicating it was reported out of the committee by a vote of 20 to 0 with strong bipartisan support. As I understand, it was voted out of the committee in May.

Did the Senator say "in May"?

Mr. BENTSEN. It was voted out of the House on July 22.

Mr. BYRD. And out of the Senate Finance Committee?

Mr. BENTSEN. I do not have that exact date.

Mr. BYRD. In any event, it has been on the calendar now for some days, I guess a week.

Mr. BENTSEN. The majority leader is right. We reported the bill out over 2 months ago, on May 29.

Mr. BYRD. May 29. And it has been on the calendar for about a week. I emphasize the point that the chairman made, that being we have a little window here. During the time that the conferees are going to be working on the debt limit extension, there is a window during which the Senate can be working on this measure and it would be well, as the distinguished Republican leader and I said heretofore, that this measure be passed before the Senate and the House go out for the break.

Mr. President, I ask unanimous consent—and Senators may reserve the right to object—that the Senate proceed to the consideration of Calendar Order No. 260, S. 1127, the catastrophic illness legislation.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. DURENBERGER. Mr. President, reserving the right to object, and I do not intend to object, I have listened to the majority leader's description of his efforts to bring this matter before us. I have listened, of course, with interest to my colleague, the chairman of the Senate Finance Committee, describe the path of the catastrophic insurance bill through the Finance Committee.

I suggest that they are both right. From my standpoint, I began this process in 1979 when I first came to the Senate. At that time it was the Senator from Texas and the Senator from Kansas [Mr. DOLE] who were talking to us about the need for catastrophic in Medicare.

President Reagan, I believe, in his State of the Union Message in January 1986 instructed the Secretary of HHS to take some action. I, Mr. President, was fortunate enough to be the Senate's appointee to the Catastrophic Insurance Commission and we spent from January 1986 until November 1986 looking at the entire area of catastrophic but making some specific recommendations in the area of Medicare. Those recommendations, as everyone recalls, were the subject of some small amount of debate in January and February of this year within the administration. That debate was resolved by mid-February in favor of the legislation basically which the Finance Committee has reported out as of May 29.

Now, in addition to the catastrophic part of this bill, the House has chosen to add drug benefits in part B financed out of the catastrophic arrangement,

and to some degree there appears to be a debate behind the scenes on the Senate side as to the appropriateness of the benefit, as to the manner in which the benefit might be financed, whether or not it might be done differently.

But that aside, it strikes me the time has come for this body to deal with catastrophic insurance in Medicare. I hope that those of my colleagues on both sides of the aisle, whether it is the Democratic side or the Republican side, who might seek to delay the consideration of this bill, because of their concerns not about the catastrophic but their concerns about the potential for a drug amendment here on the floor or something else, resolve those concerns as quickly as possible. Perhaps they might even come to the floor and discuss this issue as soon as possible so that those of us who have spent much of our lives in the Senate trying to come to the day when we could vote on a catastrophic bill might be permitted to do so.

So I encourage those of my colleagues who might be concerned about that potential, which is benefit expansion, but who care a lot about catastrophic, permit those of us who do care about catastrophic to proceed with this bill.

Mr. BYRD. Mr. President, I just simply say that there are no objections on this side to proceeding. It is cleared on this side of the aisle. And I make the request.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, let me indicate to the majority leader that I am not opposed to proceeding. Neither is the ranking member on the Health Subcommittee. There are I think six or seven on this side who have indicated an objection.

It would be my hope that perhaps the distinguished Senator from Minnesota [Mr. DURENBERGER] might be able to visit with those Members yet today—I would be perfectly willing to sit in on that meeting—to see if there is not some way to get the bill on the floor and then we can maybe negotiate any differences. Amendments are going to happen on every piece of legislation. It is no different than any other legislation. We do have a few days in which to accomplish this, which would be certainly helpful to the distinguished chairman of the Finance Committee, Senator BENTSEN, as well as other members of that committee who are going to be tied up with reconciliation.

And so I would on behalf of the distinguished Senator from Wyoming [Mr. WALLOP] object but on the hopes that we would still have an opportunity maybe, if we can work it out, to try this later today or the first thing tomorrow.

Mr. BENTSEN. If I may say, I would be delighted to be available for any conference so I might assist in trying to resolve some of these differences, if we can. I understand that one of the major issues apparently is the prescription drug amendment that might be forthcoming. But that has been known for a long time and we ought to be prepared to debate it.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. BYRD. Mr. President, I thank all Senators. I thank, in particular, the Republican leader for the efforts he has made to bring this measure up. I am encouraged by his statement that he will continue to meet with Senators on his side in an effort to remove the objection and get the measure before the Senate. Once it is before the Senate, as we have seen happen so often. Senators get together and resolve their differences.

I also thank Mr. DURENBERGER for his support of the legislation and for his efforts to mediate the differences among other Senators.

Mr. President, for the moment we have made our effort, and we hope that it can be renewed later.

At this time, Mr. President, I ask for regular order.

SENATORIAL ELECTION CAMPAIGN ACT

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.

The Senate resumed consideration of the bill.

Mr. BYRD. Mr. BOREN, the chief author of the bill and the chief author of the amendment, which represents the latest compromise proposal, is on his way to the floor.

TEN-MINUTE RECESS

Mr. BYRD. I understand that Mr. BOREN will be here in probably 5 or 10 minutes. I ask unanimous consent that the Senate stand in recess for 10 minutes.

There being no objection, the Senate, at 1:27 p.m., recessed until 1:37 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. REID].

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPORTATION OF OBJECTS FROM THE "TITANIC"

Mr. STEVENS. Mr. President, I send to the desk a bill that Senator WEICKER will call up under the time agreement that the distinguished majority leader will now present, I believe. I am not introducing this for Senator WEICKER. He will introduce it himself. But that is so everyone will know what the bill is that the majority leader is referring to.

Mr. BYRD. Mr. President, I ask unanimous consent that there be a total of 10 minutes on the bill to be introduced by Mr. WEICKER dealing with the importation of objects from the *Titanic*, provided further that no amendments or motions to recommit the bill with or without instructions be in order, provided that the time be under the control of Mr. WEICKER, and provided that the majority leader may call up the bill at any time after consultation with the minority leader today.

The PRESIDING OFFICER. Is there objections?

Hearing none, that is the order.

Mr. BYRD. Mr. President, I thank the Chair.

Mr. STEVENS. I thank the majority leader. The distinguished Senator from Connecticut will be here later this afternoon.

Mr. BYRD. I thank the distinguished Senator.

SENATORIAL ELECTION CAMPAIGN ACT

The Senate continued with the consideration of the bill.

Mr. BYRD. Mr. President, today we return to the unfinished business of the Senate, campaign finance reform. Senate bill 2 is among the most important legislation to be considered by this historic 100th Congress. It concerns the very integrity of this body, it concerns the integrity of the legislative process, and it concerns the integrity very directly of our system of democratic elections. The never ending pursuit of campaign funds, the money chase, will only accelerate if we do not act to limit spending.

Raising money is so time consuming it results in a diminished legislative capacity. This is not good for America. It also means, as I have previously said, that we are becoming a part time legislature because we must be full time fundraisers. These concerns should be enough to prompt action, but there is an even bigger threat to the integrity of this Congress that looms on the horizon. This cloud over democracy is

the public outcry which will arise if we do not act to limit the campaign spending appetite and the excessive dependence on special interests.

Mr. President, public trust and confidence are the essential building blocks upon which a free and democratic government is built. Keeping faith with the American people is our highest obligation as elected officials. Sadly, we have seen in the past few months what can happen when a branch of Government loses sight of this obligation. The hearings of the Iran select committee have documented executive branch deception and efforts to skirt, if not break, the law. This breach of faith with the public and the Congress has significantly weakened the President's ability to act and lead. This is not good for America.

When Government breaks faith with the people as it did during Watergate, and as we saw again in the Iran-arms transfer, it is not only the misguided officials who lose, but all Government loses. There is a shared responsibility for good Government.

Mr. President, there is another issue which could seriously undermine public trust and confidence even further. Congress has suffered in the past from misdeeds by executive branch officials and Presidents, but the problem I refer to is the dramatic rise in campaign costs and our growing dependence on special interests to finance this money chase. If we do not act to establish reasonable, fair limits for campaign spending, we will by our inaction do serious damage to the building blocks of democracy—trust and confidence.

I am not alone in this view. It is a view shared by many on both sides of the aisle. Past public statements by Republicans and Democrats alike have indicated a need to limit the seemingly insatiable appetite for campaign money. What is at stake here is not partisan interest or advantage but the integrity of Congress. The public understands this and so do the media. We know the problem, we understand its dangerous implications, now we must act to do something about it.

Mr. President, it is important to remember that we were at a very similar crossroads in terms of Presidential campaign finance in 1974. In 1974 we were responding to a scandal, whereas today, we are trying to act to avoid one. In that debate several of the same charges were raised against reform—it was asserted that such a system would limit competition, provide incumbent protection, and that it would not work. History has proven all of these charges to have been unjustified. The system has had widespread competition. Certainly the large field of candidates seeking the Presidency in 1988, including several of our colleagues from the Senate, demonstrates that the system is a success. Incumbent

protection has also not been a problem, as two of the three incumbents running under the system have been defeated—Presidents Ford and Carter. Finally, while the system is not perfect, it has been widely perceived as a success. Only 1 Presidential candidate in 35 has not accepted public funds, and I believe all candidates in 1988 plan on accepting the spending limits and public funds, including the Republican and Democratic candidates for the Presidency from this very Chamber.

Previously, I introduced into the RECORD, editorials from newspapers in 43 States and the District of Columbia. Those editorials, all approved or written by the local editorial boards, called upon Congress to act now on this important legislation. We simply must take the people's branch off the auction block. We cannot permit Senate seats to be put up for sale to the highest bidder.

Mr. President, in the 6 weeks since I introduced those editorials, many additional editorials have appeared in newspapers expressing support for the Senatorial Election Campaign Act, S. 2. This raises to almost 250 the number of editorials which have appeared on this subject in the past few months. These editorials come from newspapers in all regions, from cities of all sizes, and editorial boards of varying ideological predispositions. These editorials are at once a call to action and at the same time a voice of warning. We must act to stem the growing tide of money in congressional elections. If we do not, we will erode public trust and confidence in this, the people's branch. Similarly, the legislation has been endorsed by the League of Women Voters, Common Cause, the National Association for the Advancement of Colored People, by farmers' groups, senior citizens' groups, and many others. Opposition to the measure is rarely found in the Nation's newspapers—conservative or liberal. The only real opposition has come from some elements of the Republican Party and those special interests which are a part of the problem. This is a case in which the public interest is clear and widely perceived.

As the newspaper editorials point out, we are at a crossroads. We can act to establish fair and responsible limits on spending, or we can stand aside and put Congress up for sale to the highest bidder. I extend today, as I have done before, an invitation to any and all interested Senators who have not yet joined in this effort to come forward and work with us to enact limits on spending which would be fair, and which would foster competition just as the limits on Presidential candidates' spending have fostered healthy competition.

Shortly before we began consideration of the trade bill, Senator BOREN and I introduced an amendment which contains all of the essential ingredients of campaign finance reform but minimizes the role of public financing. It is therefore, in terms of real reform, a bottom-line position. The amendment has the following major features:

It retains aggregate PAC contribution limits, computed as they were in S. 2.

It establishes voluntary spending limits and limits on the use of personal wealth.

It contains no public financing for Senate General elections so long as candidates abide by the voluntary spending limits.

It establishes incentives for candidates to abide by those spending limits by making only those candidates eligible for preferential postage rates and lowest unit broadcasting time rates, and by providing that candidates who exceed the voluntary spending limits will trigger compensating payments to opponents who have agreed to remain within those limits.

It assures that candidates who are targeted by independent expenditures against them or for their opponents will be able to respond effectively, by increasing the primary spending limits of participating candidates when such expenditures are made during the primary period, and by providing a compensating payment to participating candidates when such expenditures are made during the general election period.

If Congress should enact and the States ratify a constitutional amendment permitting Congress to set spending limits, all public finance provisions of S. 2 would be dropped, but the spending limits set by the bill would become the spending limits for the constitutional amendment.

Finally, the very slight potential cost of this legislation is more than fully offset by ending the preferential mailing rates for political parties. In effect, the amendment, as it now is drawn, will result in no net cost to the Federal budget—and quite possibly could result in a reduction in the Federal budget deficit if all candidates live within the spending limits for their States. But the most important point is that it sets in place vital reforms to our present campaign finance system.

It will be most unfortunate if narrow partisanship, which in fact is mistaken partisanship, deters us from putting our own house in order. During the past few weeks Senator BOREN and other Senators have sought out colleagues on both sides of the aisle, including the distinguished Republican leader. We are hopeful that these efforts will result in sufficient votes for cloture so that we can proceed to con-

sideration of amendments to the bill and ultimately its enactment.

Mr. President, I have referred to various editorials which appeared on the subject of the Senatorial Election Campaign Act. I ask unanimous consent that those editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Bluefield (WV) Daily Telegraph, June 19, 1987]

TIME TO STOP STALLING: SEND PACS PACKING

Most governmental scandals involve broken laws. But in the case of congressional campaign financing, the laws are the scandal.

And at the heart of that scandal are the political action committees—or PACs, as they're generally called—which poured more than \$130 million into 1986's congressional races, a six-fold increase from a decade ago.

The Senate is debating—or, to be more accurate, is trying to debate in the face of a Republican filibuster—S. 2, a bill sponsored by Senator Majority Leader Robert C. Byrd, D-W.Va., and Sen. David Boren, D-Okla., which would curtail the scandalous influence of special-interest money in congressional elections.

As Archibald Cox, the former special prosecutor in the Watergate affair, has pointed out, this deluge of special-interest money "creates the image—if not the reality—that Congress is becoming populated with legislative Ivan Boesky's, pursuing a political brand of insider trading in which the currency is public policy."

It's time to end the congressional campaign financing scandal.

It's time for Senate Republicans to join with their Democratic colleagues in limiting the amount of PAC money a congressional candidate can accept.

It's time to establish a voluntary system of spending limits and partial public financing.

It's time to enact S. 2.

[From the Charleston (WV) Gazette, July 8, 1987]

CASH CORRUPTION

Senate Majority Leader Robert C. Byrd, D-W.Va., waged a valiant fight for S. 2, the Byrd-Boren campaign finance reform bill to end the cash corruption of Congress. But Senate Republicans—fearful of losing their big-money edge—filibustered him to a standstill.

The heart of Byrd's plan is public financing of congressional campaigns, the same system used in presidential races. To obtain public funds, a candidate would have to accept severe limits on total campaign spending. (This is the only way limits can be imposed, since the Supreme Court has rejected direct ceilings.)

When Byrd's plan first was introduced, Minority Leader Robert Dole, R-Kan., promised there would be no GOP resistance. The Republicans did a turnaround, saying they can't tolerate use of taxpayer money for campaigns. This is baloney, because GOP presidential candidates have accepted \$127 million of taxpayer money for campaigns since 1976.

Now Byrd and Boren have drafted an ingenious substitute. It requires candidates to accept voluntary ceilings—and, if one violates the limit in an attempt to buy an elec-

tion, his opponent is given public funds plus lower mailing rates and other benefits. If both candidates honor the ceiling, no tax funds would enter a campaign.

Byrd's substitute is expected to come up for a Senate vote this week. We hope it succeeds, because eradication of the special-interest cash cesspool is desperately needed.

It reform is beaten again, here's a possible strategy:

The president is eager for Senate confirmation of right-wing ideologue Robert Bork to the Supreme Court. Byrd should specify that the Bork nomination will be considered after an election cleanup bill is passed and signed into law.

[From the Charleston (WV) Daily Mail, July 11, 1987]

PAC REFORM

Spending limits, not public financing, are at the heart of the latest campaign finance bill pending in the U.S. Senate.

The bill deserves a look. It is not perfect, but it is a better defense against those who believe in spending as much as possible, and then some, to literally buy their way into office.

The new Boren-Byrd bill relies on the original measure's voluntary tax checkoff to generate funds. But the money will be made available only in races in which one of the candidates exceeds a voluntary spending limit. The candidate accepting the spending limit will be able to draw on the public funds, but only in sums to match his opponent's spending.

Senators who have joined in the filibuster against the original bill were rightfully concerned about tax dollars being used to support political candidates. But if they can get a guarantee that the funds used to finance campaigns can be covered from a voluntary tax check-off system, their doubts should be allayed.

As Oklahoma Sen. David Boren says, those who continue to oppose campaign finance reform must explain why "it is good for Congress to spend more and more time raising millions of campaign dollars; that it is good for challengers to be increasingly closed out of the system; that it is good for business and labor groups and their representatives to be increasingly victimized by escalating fund-raising requests; and finally, that it is good to allow even the appearance that the most important offices of public trust in our country are being placed on the auction block."

Boren is not using hyperbole. The average cost of winning a Senate seat last year was \$3 million. To raise that amount in his or her six-year Senate term, a senator must beg or borrow \$10,000 a week.

And the costs keep climbing. In 12 years, the average Senate race could cost \$15 million.

It's time for candidates to return to standing on their records and qualifications, rather than mounds of cash.

[From the Charleston (WV) Daily Mail, June 23, 1987]

CAMPAIGN REFORM

Rejecting the notion that Republicans should be taxed to support Democratic congressional candidates and vice versa, the GOP minority in the U.S. Senate has filibustered a critical campaign spending bill all month.

As Texas Sen. Phil Gramm says, taxpayer financing of congressional campaigns is an idea "totally alien to American democracy."

Two features of this legislation to curb the excesses of political action committees and the ever-rising cost of political campaigns, however, do make sense. Both sides of the aisle should join in instituting a voluntary tax checkoff scheme for interested voters, similar to that used now for presidential races.

The funds thus raised probably will not equal the estimated \$500 million proposed for campaigns in the House and Senate, but it would be a start toward halting the "aristocracy of the moneybag," as Carlyle says.

Candidates who spurn the voluntary spending caps under this checkoff-financed system would find themselves accused of trying to buy their way into office.

The other reform that deserves a Senate vote is a limit on contributions from PACs. Rep. Jim Leach of Iowa captures the importance of this and other moves to dilute the impact of PACs:

"If the trend toward more expensive races . . . is not curbed, individuals elected to Congress will increasingly become indebted to either big business or big labor."

That surely will destroy American democracy.

[From the Fairmont (WV) Times-West Virginian, June 19, 1987]

CAMPAIGN REFORM BILL DESERVES A CHANCE

A campaign reform bill that would bring sweeping and necessary changes to congressional elections is now being considered by the U.S. Senate.

Unfortunately that bill, as of this writing, is bottled up in a filibuster as Republicans are objecting. Democratic senators, led by Majority Leader Robert Byrd, have been trying for the last week to break the filibuster in order for the bill to proceed.

We hope that they succeed in that task with the bill largely intact, because we firmly believe that the measure would bring much-needed reforms to the spiraling cost of campaigns and influence of political action committees, better known as PACs.

The bill being considered now would provide a voluntary system of state-by-state candidate spending limits coupled with a partial system of federal financing provided by income tax return check-offs similar to those now used to fund presidential elections.

It would also put limits on how much could be financed through large contributions such as those customarily made by PACs to candidates.

We agree wholeheartedly with the sentiments expressed by Sen. David Boren of Oklahoma, the main sponsor of the bill. "We must not let party politics stand in the way," he said Tuesday. "This is not a Republican problem. It is not a Democratic problem. It is an American problem. It is clear something is wrong."

Senate Republicans have said they will fight any campaign bill that contains limits on campaign spending or provides taxpayer financing, jolting hopes that the bill will be approved in any thing close to its present form.

Byrd has contended, and we agree, that the GOP opposition is basically to the spending limits. "If we're entertaining notions that we can have reforms without limitations on campaign expenditures and the PAC contributions, we're kidding ourselves," he said. "The real problem is that of putting limits on campaign spending."

We would hope that some Senate Republicans would think the issue through and vote for an end to the filibuster so that the main

bill can be voted on. Such a serious issue deserves at least that chance for approval.

[From the Huntington (WV) Herald Dispatch, July 9, 1987]

REVISED APPROACH TO PUBLIC FINANCING

On June 3, the Senate began consideration of S. 2, a campaign finance reform bill which would put limits on contributions to Senate candidates by political action committees and establish overall campaign spending limits tied to a system of public financing.

Led by Minority Leader Robert Dole, R-Kan., most Senate Republicans have been conducting a filibuster for the past month, blocking Senate action on the measure.

The most controversial aspect of S. 2—introduced on the first day of the 100th Congress by Majority Leader Robert C. Byrd, D-W.Va., and Sen. David Boren, D-Okla.—has been its public financing provision. A number of the bill's opponents have cited public financing as the principal stumbling block preventing them from supporting it.

Now, in an effort to break the GOP filibuster, Byrd and Boren have unveiled a proposed substitute for S. 2 which is designed to meet the objections to public financing.

The new proposal establishes a system of state-by-state campaign spending limits where no public funds would be provided to the candidates in a general election as long as they both agreed to abide by the spending limits. However, if one candidate decided not to participate and made campaign expenditures in excess of the spending limit for his state, this would trigger public funds for his (or her) opponent.

As the Washington Post has aptly put it, a candidate would receive public dollars "only if he agreed to abide by the spending limits . . . and his opponent did not. The public money would be only an insurance policy."

In addition to this "insurance policy," a candidate who agreed to the spending limits would receive lower mailing rates and other benefits. (This apparently would satisfy the Supreme Court's ruling that in order to establish a system of campaign spending limits, public benefits must be provided.)

Byrd and Boren's new proposal transforms the fight over campaign spending into a whole new ball game. With it, the two lawmakers have sent opponents of S. 2 a strong signal that they're more than willing to meet them halfway. The key question now is whether the Senate is willing to resist partisan pressures and set aside obstructionist tactics in order to act in the nation's best interests by enacting effective campaign finance reform.

[From the Huntington (WV) Herald Dispatch, July 3, 1987]

CAMPAIGN FINANCING NEEDS REFORMS NOW

There's been considerable attention focused on a Senate campaign finance reform bill offered by Senate Majority Leader Robert C. Byrd, D-W.Va., and Sen. David Boren, D-Okla., that's currently being roadblocked by Senate Republicans. But even though it's the Senate fight that's been getting the headlines, it's equally important that the House, too, act on the campaign finance issue.

A logical starting point for action in the House is a measure introduced by Reps. Tony Coelho, D-Calif., Mike Synar, D-Okla., and Jim Leach, R-Iowa, on June 18.

The Coelho-Synar-Leach bill would establish a voluntary system of overall spending ceilings and limits on the use of personal

wealth in campaigns, along with partial public financing for House general election campaigns. And—importantly—it would limit the total amount of political action committee contributions a congressional candidate can accept.

The problem is clear. Excessive campaign spending and the increasingly large role being played by the free-spending PACs have served to sharply undermine public confidence in the integrity of Congress.

The current Congress may not be "the best money can buy"—but it clearly looks that way to more and more disillusioned voters.

The need for comprehensive campaign reform is more urgent today than ever before. The current congressional campaign finance system is a scandal and disgrace.

Indeed, in this, the Bicentennial year of the U.S. Constitution, there are few, if any, needs facing Congress that are more important than that for comprehensive campaign finance reform. We urge the House and Senate to join in early passage of this vital legislation.

[From the Huntington (WV) Herald-Dispatch, June 19, 1987]

TIME TO STOP STALLING: SEND PAC'S PACKING

Most governmental scandals involve broken laws. But in the case of congressional campaign financing, the laws are the scandal.

And at the heart of that scandal are the political action committees—or PACs, as they're generally called—which poured more than \$130 million into 1986's congressional races, a sixfold increase from a decade ago.

The Senate is debating—or, to be more accurate, is trying to debate in the face of a Republican filibuster—S. 2, a bill sponsored by Senate Majority Leader Robert C. Byrd, D-W.Va., and Sen. David Boren, D-Okla., which would curtail the scandalous influence of special-interest money in congressional elections.

As Archibald Cox, the former special prosecutor in the Watergate affair, has pointed out, this deluge of special-interest money "creates the image—if not the reality—that Congress is becoming populated with legislative Ivan Boesky's, pursuing a political brand of insider trading in which the currency is public policy."

It's time to end the congressional campaign financing scandal.

It's time for Senate Republicans to join with their Democratic colleagues in limiting the amount of PAC money a congressional candidate can accept.

It's time to establish a voluntary system of spending limits and partial public financing.

It's time to enact S. 2.

[From the Huntington (WV) Herald-Dispatch, June 15, 1987]

CAMPAIGN SPENDING SHOULD BE CURBED

One of the most important issues facing the 100th Congress is reform of the way congressional campaigns are financed.

As the Washington Post has said, the present congressional finance system "is fundamentally corrupt. Every citizen knows that. So does every legislator."

Now the Senate has an opportunity to address this national scandal. A campaign reform bill, S-2, sponsored by Senate Majority Leader Robert C. Byrd, D-W.Va., and Sen. David Boren, D-Okla., has been report-

ed to the floor by the Senate Rules Committee.

Commenting when S-2 was introduced on the very first day of the current session, Senate Minority Leader Robert Dole, R-Kan., said, "I would only indicate that it is a matter that I feel should be addressed. . . . I do not believe there will be any effort to stall any such legislation." And yet that's exactly what some Senate Republicans apparently intend to do.

Using the filibuster and other obstructionist tactics to delay reform of the congressional finance system is a clear attempt by some Senators to evade their responsibility.

S-2 or something very much like it is a "must" if any common sense is to be restored to the way congressional campaigns are financed.

Two provisions are essential to any meaningful, comprehensive legislation to reform the current system: overall spending limits and limits on the total amount of political action committee contributions a candidate can accept.

Both of these provisions are found in S-2.

The bill would establish a voluntary system of spending limits, as well as limits on the use of personal wealth, tying these to partial public funding. The bill also would place aggregate limits on the amount of PAC contributions a candidate may accept. If this provision had been in effect in the 1986 election, total PAC contributions to Senate candidates would have been cut by two-thirds—from \$45 million to \$16 million.

The need for comprehensive campaign spending reform has never been more clear or more urgent. As former Sen. Barry Goldwater has said, "Unlimited campaign spending eats at the heart of the democratic process. . . . Our nation is facing a crisis of liberty if we do not control campaign expenditures."

The time is long past due for Congress to address this dangerous problem.

[From the Morgantown (WV) Dominion-Post, June 9, 1987]

THE AUCTION BLOCK

The success of campaign finance reform at the congressional level will depend upon whether or not the various forces at work within the legislative body can effect a consensus that will provide a strong, comprehensive product.

The other day, during debate printed in the *Congressional Record*, there was general agreement upon five principles for real campaign finance reform. They are:

First: The arms race in campaign spending must be halted.

We need firm and realistic spending limits for federal candidates, and we must close the loopholes that allow surrogate spending to make a mockery of current law.

Second: Those limits must apply to primaries as well as general elections.

Third: We must dam the rivers of special interest money that are flooding our candidates and our parties.

That means tough restrictions on political action committees, including steps to ensure that, once limited, PAC money does not pop up somewhere else under some other name. Soft money, bundling, and independent expenditures must also be cut back.

Fourth: The only realistic way to achieve these goals is to adopt public financing of federal elections.

That is how we took presidential elections off the auction block in the 1970s, and it is time to do the same for Congress in the 1980s.

We are mindful that President Reagan himself took public financing in his presidential campaigns. It was not mandatory that he do so. He did not express at that time a resentment or suggest that Congress was acting illegally in ensuring that there were going to be public funds available for the funding of the presidential campaigns.

Fifth: The net impact of our proposals must be to encourage, not discourage, participation by citizens, both as candidates and as campaigners. Campaign reform must not become an exercise in incumbent protection.

We must not impose entry barriers which are unrealistic or constrain parties from encouraging citizens to be involved.

These, it seems to us, provide the kind of guidelines that we need. Citizens who feel strongly about campaign finance reform of congressional elections need to let their representatives know.

[From the Allentown (PA) Morning Call, June 11, 1987]

CAMPAIGNS: NEW MODEL NEEDED

Not so long ago it was a widely held belief that in a democratic society long periods of governance were interrupted by a fine-tuning process known as elections. But that belief has been a fiction in American politics for decades. The fact of political life in today's America is that for the most part our political leaders are engaged in a continuous political campaign. No sooner are the victors of November rejoicing over their victory than they start fattening up the war chest for their next campaign. In the case of members of the House of Representatives (who serve two-year terms), their round-the-clock campaigns only end with death, defeat or retirement.

Aside from the detrimental effect that this divided attention has upon the primary job of legislators—legislating—their continuous preoccupation for money grubbing produces a malaise in the body politic and an apathetic electorate. The campaigns are too long and too costly. The experience of Gary Hart provides an example of the direct link between the length of campaigns and their cost.

Before Mr. Hart declared his willingness to move into the Oval Office in 1989, his 1983-84 presidential campaign was still \$1.3 million in the red. Unperturbed, the former senator expected to be given \$900,000 in taxpayer money for his new campaign, some of which he would use to help pay his debtors from his last campaign. However, the Federal Election Commission nixed that request because Mr. Hart dropped out of the campaign before he got around to filing for the money. Any appeal by Hart should fall on deaf ears. As we argued before in this space, no presidential candidate should qualify for taxpayer money until all previous campaign debts have been honored. Bankrupts (a name Mr. Hart may assume) need not apply.

Closer to home, the campaign finance picture is little brighter. Pennsylvania candidates for U.S. House and Senate seats in 1986 received a record \$7.5 million from political action committees. These candidates spent a record \$21.3 million in their election efforts. In 1980, the cost of these campaigns was \$7.2 million—\$2 million less than Senator Arlen Specter and his challenger, Bob Edgar, spent in last year's senatorial battle.

There are two ways to break the back of interminable campaigns and their multimillion-dollar price tags. The first is to limit the length of campaigns—almost an impossibility in our system. The second possibility—

ty—campaign-finance reform—though, is possible. That is if the politicians will it. Right now, Senate Republicans have bottled up a bill that would provide public financing of Senate campaigns—an improvement over the present vested-interest-financed campaign.

In the meanwhile, those Americans who suffer from domestic political campaign fatigue can direct their attention to Western Europe. There is a great deal to recommend the dispatch with which the European parliamentary democracies order their election process. For example, today millions of Britons will go to the polls to elect a government. It is a process that was last played out in 1983. Then, as now, the campaign was limited to three weeks.

If the purpose of a national election is to elect a national government, then the shortest time practicable to accomplish this is preferable. This would allow the government to do what it's expected to do—govern—and not have its members constantly occupied with raising money and spending time on the next election. So far the politicians who control the political process of campaign reform have shown little inclination to mend their ways. Although this is not surprising, it is disappointing. If the European election model fails to attract our politicians, at least they could make the effort to devise a streamlined American model.

[From the Astoria, (OR) Daily Astorian, June 24, 1987]

SUBSTANTIAL BEGINNING

The debate in the United States Senate regarding campaign financing has produced no surprises. Senators are reluctant to give up an arrangement that serves them well, but they know they must. They cannot avoid confronting the hard facts that campaigns for the Senate cost too much and that the candidates must depend too much on special interests for the funding of their campaigns.

Major reform is proposed by two Democrats, Sen. David Boren of Oklahoma and Sen. Robert Byrd of West Virginia. They have 47 co-sponsors. They would use limited public financing of congressional campaigns as it is used in presidential campaigns. They would tie this to a limitation on how much political action committees could contribute singly or in groups to an individual candidate.

The U.S. Supreme Court has ruled that limits can be placed on campaign spending and contributions only if accompanied by a system of public finance.

Republican senators, led by Bob Packwood, would prohibit all direct PAC contributions to candidates. But they would permit PACs to make contributions to political parties. Of course the parties would send the money on to candidates.

If you accept the theory that a sinner knows best how to cope with sin, Sen. Packwood has imposing credentials. He raised a huge amount of money—much more than he was able to spend—to get re-elected. Much of it came from PACs. Charging lobbyists \$5,000 to have breakfast with him handsomely benefited Packwood.

The proposal which Packwood espouses would not get a handle on congressional campaign finance for it really wouldn't change anything. The Boren-Bird plan wouldn't entirely clean up an arrangement that is begging for reform but it would make a substantial beginning.

[From the Athens (TX) Daily Review, June 5, 1987]

AS WE SEE IT: CONGRESS PONDS ITS OWN "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Augusta (ME) Kennebec Journal, June 16, 1987]

CAMPAIGN REFORM NEEDS GOP BOOST

The good news is that reform of congressional campaigns, with their vicious television commercials and exorbitant cost, is possible this year. The bad news is that the debate is proceeding along partisan lines, with Senate Democrats almost unanimously

in favor of a public financing plan, and Republicans opposed.

The Senate is fertile ground for reform. Most senators are simply sick and tired of spending much of their time hounding potential contributors for the millions of dollars it takes to win a Senate seat these days. With contribution limits more or less ruled out by a 1976 Supreme Court decision, public financing—as in presidential races—is the obvious alternative.

Yet the Republicans are balking. In recent years, they have piled up a huge fundraising advantage over Democrats, and are reluctant to yield that edge.

The effect on attitudes is apparent. The party-line consensus is clearer on this issue than perhaps any other, even such "litmus test" votes as aid to Contras. On a motion to limit debate on the Byrd-Boren bill, every Democrat but three voted yes, and every Republican but two voted no. (Maine's George Mitchell (D) voted yes and William Cohen (R) voted no.)

Republican senators, anxious to avoid being labelled as defenders of the deplorable status quo, have offered various alternative bills, none of which, however, is a serious attempt to clean up the situation. Limiting contributions by political action committees has been tried and has failed. Allegedly "independent" spending in support of a candidate has multiplied and made a mockery of the existing PAC limits. Only by capping the overall costs of campaigns, and using partial public financing—with candidates matching the amount from taxpayers—will we ever stop auctioning seats to the highest bidder.

If that last statement seems harsh, consider the number of incumbent senators—and unsuccessful aspirants—who ran for the office almost solely on the basis of their private wealth. The majority of current senators are millionaires—not exactly representative of the American people. And a majority—even from small states such as Maine—spent more than a million dollars in their most recent campaign.

How to break the partisan deadlock? Perhaps offer a sweetener for the GOP, allowing increased contributions from national party headquarters.

But in the end, the Republicans must ask themselves this question: is their demonstrated fundraising clout really an advantage when the average voter is disgusted by the excesses of campaigning with the buy-and-sell atmosphere and the television commercials, repeated hourly, appealing to everyone's worst instincts?

Sen. Cohen, we hope, will change his mind and vote to end the filibuster, and then for campaign reform.

[From the Bakersfield (CA) Californian, June 29, 1987]

YACKETY, YACKETY, YACK!

When is a debate not a debate? When it's a debate, of course. In the looking-glass world of congressional politics that absurdity makes sense, even if the phenomenon it describes does not.

S2 is a bill by Senate Majority Leader Sen. Robert C. Byrd of West Virginia and Sen. David Boren, D-Okla., supported by Common Cause. It is a comprehensive federal campaign finance-reform measure. It is separate from a state initiative dealing with many of the same issues sponsored by a similarly named group, California Common Cause.

That there is a need for reform is almost unarguable. According to federal figures, in

the last 10 years, U.S. Senate campaign costs quintupled—at one point doubling in two years!

At the present rate of increase, a person who next year wins a U.S. Senate seat will have to raise more than \$1,300 every day (including Saturdays, Sundays and holidays) for the entire six-year term to finance his reelection campaign—and that is with the incumbent's advantage!

Those projections are based on average national costs, which usually are less than California's, so the seat now held by Pete Wilson, which will be contested then, will be at prices predictably higher. Incredibly, in the following term, increases will continue, quadrupling again over the present quintupled costs.

Aside from disproportionate inflation in the cost of politics compared to all other inflation components as a problem is the source of the money.

Contributions from special-interest political action committees—ironically envisioned as a Watergate-era campaign reform—are increasing faster than campaign costs. That means that contributions from individuals and groups within a district are becoming proportionately less of a candidate's war chest and interest.

To mitigate drawbacks, many solutions have been suggested. Naturally, there is disagreement on such issues as public financing, the so-called "millionaire's loophole" (the ability to use one's own money in a campaign without limit), mandated TV ad rates, etc.

Opponents of S2 have begun a filibuster—a non-stop debate—literally not letting the other guy get a word in edgewise: no meaningful give-and-take debate, no votes, no solution, no end to it.

Thus, we have the world's greatest deliberative body—as the Senate likes to bill itself—crippling itself.

It does not matter what side one takes on this issue. The issue does not even matter in the larger sense.

What matters is that despite the heroism with which filibusterers characterize themselves—voting and civil rights, Vietnam, fair housing and states rights are issues that come to mind that were subjects of a filibuster—it essentially is an undemocratic procedure designed to stifle the expression of differing points of view and votes on them.

The Senate should cease demonstrating the antithesis of all it thinks it stands for. Filibusterers should have the courage to allow a vote up or down on S2's considerable merits and amendments that may be offered as compromise solutions to some of its problems.

If senators don't deserve this basic courtesy of democracy, citizens do.

[From the Bangor (ME) Daily News, June 18, 1987]

CAMPAIGN FINANCING

Senate Democrats and Republicans are haggling over competing campaign finance reform plans in what is described as the best opportunity in years to get things changed. They should get together and design meaningful bipartisan reform. It's about time.

The campaign-financing problem is not that politicians are accepting bribes in briefcases. Rather, they're openly accepting huge campaign contributions from special interest groups, which, in effect, buy access to their offices, and drive up the cost of campaigning by quantum leaps. Frequently, the money comes from wealthy out-of-state

organizations representing narrow special-interest groups, not local folks.

The impact is evident:

Senate winners in 1986 spent an average of \$3 million, five times higher than a decade previously. During the same period, Senate PAC donations increased by a factor of nine.

Meanwhile, almost half the members of the U.S. House of Representatives got half of their money from PACs in 1986 (both of Maine's representatives received less), with the vast majority of the funds going to incumbents.

The Democrats' plan, co-sponsored by Sen. George J. Mitchell, makes a comprehensive stab at serious reform. It asks candidates to place a lid on their campaign expenditures, and to further limit their take from the political action committees. In return, they get public funding for a portion of their expenses, the limit depending on the voting population in their states. The system is voluntary, and it conforms to U.S. Supreme Court rulings.

In Maine, Senate candidates would be able to raise \$190,950 from PACs, and spend up to \$950,000 overall. Compare that to the 1984 Senate election in which Sen. William S. Cohen raised \$417,657 in PAC money and spent \$1,007,359 overall. Or compare it to the 1982 election in which Sen. George J. Mitchell raised \$562,253 in PAC money and spent \$1,208,026.

The new limits obviously would mean candidates would have to raise more money from the grassroots, and spend less on slick TV spots and other high-tech gimmicks. The new limits would slow the rise in campaign costs. And, most important, they would lessen the perception that politicians are being bought off by special interests.

The Republican alternatives don't deal with reform in as comprehensive a way. For example, they rule out spending limits on the premise they would favor incumbents, who are already much better known than challengers. This is not what has occurred with public financing of presidential campaigns, however. Since 1976, two of the first three challengers to incumbent presidents won their elections.

One of the Republicans bills purports to ban PAC spending altogether, but it leaves a big loophole in the practice of "bundling." That occurs when PACs channel individuals' checks to candidates in a way that doesn't count toward the PACs' own donation limit. Such a half-hearted approach to change is unacceptable.

Public financing would be paid for by doubling the campaign income-tax checkoff from \$1 to \$2. The \$50 million price tag for a cleaner campaign system would be relatively cheap. As Common Cause Chairman Archibald Cox points out, that's less than what Congress spends on military bands. How much is too much to clean up Congress' image, and slow down the rise in campaign costs?

[From the Boston (MA) Globe, July 5, 1987]

CAMPAIGN-FINANCE CURBS

The U.S. Senate spent much of last month debating S. 2, the Senatorial Election Campaign Act of 1987, which would provide public funds for willing Senate candidates and limit political action committee money for all.

The Senate has spent time on the issue largely because the majority leader, Sen. Robert C. Byrd (D-W.Va.), believes that "our electoral system is in crisis and badly in need of overhaul."

The minority leader, Sen. Bob Dole (R-Kan.), believes that the Republican Party, as it approaches the post-Reagan era, will be in crisis if its ability to spend money is limited. He has supported a filibuster against S. 2 with some lame rhetoric: "Why are we not addressing soft money? What about all the phone banks that organized labor uses in Democratic campaigns?"

Dole complains that "Putting on a campaign-expenditure limit is, in effect, putting a brake on our growth in certain parts of the country." Can Republican ideas flourish only regionally? Dole insists that "we are not trying to drive true volunteers off the political scene," but big money fuels big consultant fees and consultants find volunteers a nuisance.

Sen. Phil Gramm (R-Texas) says, "There is something very un-American about the whole approach" to public funds. It was not un-American when President Reagan agreed to accept voluntary limits in 1980 and 1984. The president obviously thinks that Republican ideas are strong enough to do without millions in advertising fertilizer.

Dole—who will soon be accepting "un-American" public funds for his presidential campaign—has made this issue a partisan test, along with Sen. Bob Packwood (R-Ore.) and others who are ignoring the real strengths of their own party.

Curbing big money was one of the final efforts of Barry Goldwater before he retired from the Senate. Goldwater, like Reagan, had the courage of his convictions. Only two Republicans, Sens. John H. Chafee of Rhode Island and Robert T. Stafford of Vermont, have voted to stop a filibuster aimed at protecting their party's money advantage. They are beginning to look wiser each day.

[From the Boulder (CO) Daily Camera, July 7, 1987]

LIMIT CAMPAIGN SPENDING

Sponsors of a Senate bill aimed at congressional campaign finance reform have offered an alternate plan in an effort to shut off a filibuster led by Senate Minority Leader Robert Dole, R-Kan.

Noting that many senators have claimed to be in favor of campaign spending reform but have problems advocating public financing, sponsors, led by Sen. David Boren, D-Okla., altered their proposal to restrict public financing to just the cases where candidates attempt to "buy" an election.

Sen. Dole and others blocking consideration of the original S.B. 2 have repeatedly said that they haven't heard a demand from the folks back home for taxpayers to pick up the cost of congressional campaigning.

Responding to the substance of the complaint, Sen. Boren and Senate Majority Leader Robert Byrd, D-W.Va., last week proposed a compromise. The new proposal would rely on campaign spending limits established on the basis of population, and would limit aggregate political action committee spending in each race.

Public financing would be provided only in instances where candidates violate the legal limits in an attempt to overwhelm their opponents.

This is a serious compromise on the part of the sponsors of S.B. 2, in our opinion. It removes a valid objection—that public financing might add too much in new expenses at a time when the most pressing issue facing the country is the mounting national debt. Given a good-faith effort on the part of those seeking office, the new reform measure should cost very little. At the same

time it would stop the runaway cost of campaigning and end what has become a national scandal of PAC-controlled politics.

In a recent editorial, the Washington Post pointed out that the average campaign for the Senate now costs around \$3 million. That means that an incumbent has to raise almost \$10,000 a week for his entire term of office to meet the competition. The National Journal has reported that at the end of 1986, four Senate incumbents had raised \$1 million each for their 1990 campaigns. Three other incumbents had already raised over \$700,000 for their 1990 campaigns.

Surely the demands of such heavy money raising cut into the quality of performance in office. The Senate can end this treadmill of wasted effort by voting to end the filibuster on campaign finance reform when it comes up later this week. The bill's sponsors have earned a full debate on the measure with their new and better proposal.

[From the Bozeman (MT) Daily Chronicle, June 23, 1987]

LIMIT PAC INFLUENCE

SENATE CAMPAIGN BILL A GOOD STARTING POINT

Every so often Congress comes face-to-face with its own self interests and the resulting battles are typically severe and protracted.

That's the case today as the U.S. Senate wrestles with a bill designed to curb campaign spending and reduce the influence of organizations that dole out cash to their favorite politicians.

The bill would set voluntary spending limits in Senate races and give Senate candidates public campaign funds in return for staying within those limits. The bill would place a limit on the total amount of contributions a candidate could receive from political action committees, or PACs.

According to Common Cause, had the Senatorial Election Campaign Act been law during the 1986 Senate elections, PAC contributions to candidates would have been slashed from nearly \$29 million to \$10 million.

If the bill had been law during the 1985-86 campaigns, Idaho Sen. Steve Symms would have been allowed about \$191,000 in PAC contributions instead of the \$1.36 million he reportedly received.

The bill, in spirit, is a step in the right direction and away from the ritual money chasing that has become a hallmark of congressional campaigns.

The hunt for PAC donations not only gives incumbents a tremendous advantage and sends campaign costs skyrocketing but it encourages public suspicion about the strings attached to such massive donations.

Although there is much lipservice sympathy for the idea of lowering campaign costs and reducing the potential for scandal, the finance reform bill is being effectively stalled by Senate Republicans.

One problem with the bill, critics say, is its use of public tax dollars for campaigning. The money would be offered as an incentive to candidates who voluntarily limit PAC receipts. There may be room for compromise on that point—candidates could be given mail privileges instead of cash, for instance—but the use of some form of public incentive to reduce PAC influence may be necessary.

But the major GOP objection the campaign finance bill has nothing to do with tax dollars or public policy. The sticking point is politics.

The problem, Republican critics say, is timing. Limits on campaign spending couldn't come at a worse time for the GOP minority which naturally wants no limits placed on the amount of money it feels it needs to spend to recapture control of the Senate.

In effect, the proposed spending reforms would give Democratic incumbents the upper hand in keeping their majority. Republicans argue. Would Democrats be so willing to limit PAC contributions if they were in the minority?

While there may be some short-term validity to the GOP complaint, that purely political argument could be used to effectively kill any move to get campaign spending under control. One party or another will always be in the minority.

Congress has to start somewhere and now is as good a time as any.

Only the most naive believe that money has little influence on political decisions. That influence must be controlled and the Senatorial Election Campaign Act is a worthwhile place to begin the job.

[From the Brookings (SD) Daily Register, June 5, 1987]

A DUBIOUS DISTINCTION

This past fall, South Dakota finished first in something, but it was a rather dubious distinction.

To get your vote in the race for the Senate, Tom Daschle and Jim Abdnor combined to spend more than \$25 per vote, more than double the previous per-vote spending record set in 1984 in the race between Sen. Jesse Helms and Gov. Jim Hunt in North Carolina.

More than \$7,000,000 was spent electing a senator from South Dakota!

The Daschle-Abdnor confrontation was only one example of how public trust in our election system is being undermined by big money interests who invest huge sums of money to curry favor with candidates.

It's understandable that voters are starting to wonder if their candidates are being bought and paid for by the special interests.

The process of raising and spending such huge amounts of money is what was in question this week as the Senate began debate on a bill to limit campaign spending.

In a statement made in April, Daschle said, "More than any other single factor it is this almost unlimited funding that is a problem. If we are ever to get a handle on the multiple maladies that afflict our campaign financing system, our very first step must be to limit spending."

That is what Senate Bill 2 is designed to do.

S-2 is the Senatorial Election Campaign Act which was introduced by Sen. David Boren, D-Okla., and Senate Majority Leader Robert Byrd, D-W.Va. It's the first comprehensive campaign finance reform bill sent to the full Senate since 1977.

The bill provides a system of public financing for Senate elections. It would require candidates to limit their total spending in both the primary and general elections in return for being eligible to receive public funds to finance their general election campaigns.

In South Dakota, that limit would be \$950,000 on the general election per candidate and \$636,500 in the primary.

That limit of \$1.6 million is well under half what both Daschle and Abdnor spent in 1986.

That extra \$2 million allowed the candidates to go far beyond what was necessary

to get their messages to the voters of South Dakota. There was so much money in the two campaigns that they almost couldn't spend it all.

In the last few weeks, the money which was burning a hole in the pockets of the candidates was used to burn their opponents with negative advertising.

The presence of big money throughout the campaign created another problem for the candidates. The candidates had to spend an inordinate amount of time trying to get those big bucks into their coffers.

That meant hours and hours on the phone and in meetings courting the big money people. Now even the most naive must wonder what promises had to be made to get that money.

The second important part of S-2 is a limit on how much money a candidate can accept from political action committees.

The limit in South Dakota would be \$190,950.

For example, if S-2 had been in effect during the last election, the PAC receipts of Daschle would have been cut a whopping \$971,000; for Abdnor, the cut would have been equally dramatic at \$892,000.

We don't need to spend \$7 million to get the message of candidates to the people of South Dakota.

If we don't limit campaign spending soon, what the voters of our state think won't much matter anymore.—Doug Anstaett, editor and publisher.

[From the Buffalo (NY) News, July 5, 1987]
CONGRESS SHOULD ADOPT ELECTION SPENDING CURBS

A sorely needed measure to reform congressional campaign financing is bogged down in the Senate—thanks to filibustering by misguided Republican opponents.

The bill, sponsored by Sen. David Boren, D-Okla., and Senate Majority Leader Robert Byrd, D-W.Va., is modeled on the successful method of funding presidential campaigns and would provide partial public funding for Senate candidates who agree to abide by voluntary spending limits.

It would also restrict the total amount of money a candidate can accept from political action committees (PACs) set up by a wide assortment of special interest groups.

Public financing of campaigns has its drawbacks, but it is the only practical way of getting candidates to accept campaign spending limits. The Supreme Court has ruled out mandatory limits on campaign spending as an unconstitutional infringement on the right of free speech, so any limits must be voluntary.

The significant fact is that public funding has worked very well in controlling spending and restraining the influence of private money in presidential elections.

The need for a similar plan for congressional campaigns is clear. The cost of these campaigns has reached vast proportions, and the growing dependency of candidates on PAC dollars, in particular, ought to alarm every citizen who recognizes the potentially corrupting nature of special interest financing.

Sen. Boren pointed out that the average cost of a successful Senate campaign has soared from \$600,000 to more than \$3 million in just 10 years. One consequence, as he noted, is that senators must spend more and more of their time, not on representing their constituents and working for the country, but simply on raising campaign funds.

"At this rate," said Boren, "a newly elected senator will have to raise more than

\$40,000 every single month of his or her six-year term just to fund a re-election race in 1992."

The surge in PAC contributions is no less worrisome. Common Cause, a leading proponent of campaign financing reform, stressed that PAC contributions to Senate candidates have grown from \$5 million in 1976 to \$45 million last year. One out of four senators received \$1 million in PAC funds.

There is no excuse for Congress to continue to hide from this problem. In the words of Common Cause President Fred Wertheimer, the public financing bill now before the Senate is fair legislation "that will limit campaign spending and the undue influence of political money in Congress while allowing for competitive elections."

Unless its supporters make their feelings known, however, effective campaign reform is likely to remain buried under an continuing avalanche of special interest dollars.

[From the South Idaho Press, Burley, ID, June 14, 1987]

EFFORT ON TO CUT POWER OF PAC'S

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are cosponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record

\$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

[From the Burlington Free Press,
Burlington, VT, June 16, 1987]

DEMOCRATS' BILL TO BLUNT PAC'S WORTH PASSING

Even in Vermont, where the cost of a seat in the U.S. House or Senate is notoriously low by national standards, entirely too much money is being spent on political campaigns.

Excessive spending is fueled by more and more cash from political action committees, or PACs. As the power of government to regulate private interests has grown, so has the appetite of those interests to win and keep friends through judiciously distributed campaign contributions.

For the first time in more than a decade, Senate leaders appear to be serious about campaign spending reform. Democrats have written a bill worthy of passage not because it is ideal, but because it goes about as far as Congress can be expected to go on an issue so dear to every member's heart.

The Democrats would offer public funding to any Senate candidate who accepts spending limits, and would set a limit on PAC contributions to candidates and national political parties.

Republicans complain the Democrats want to pick the taxpayer's pocket to finance their own re-election and have blocked action on the bill. But what have the Republicans offered in return? Their own proposals are mere tinkering with the size of individual contributions.

Public financing might not be anybody's first choice. But a U.S. Supreme Court ruling has made mandatory spending limits unconstitutional. Voluntary limits offering the carrot of public funding seem to be best remaining choice.

It could be argued, in fact, that the Democrats didn't go far enough. Their proposal would not so much reduce campaign spending, as put a limit on future increases. (Under the proposed rules, a candidate could still spend more than \$8 million on a campaign in California).

Nor would the bill necessarily work to an incumbent's advantage, at least in Vermont. Here, the bill would limit each candidate to about \$1 million on the general election (plus, another \$650,000 in the primary).

Last year, Sen. Patrick Leahy, D-Vt., spent \$1.6 million defeating Republican Richard Snelling (who spent \$1.2 million). Leahy was also much more dependent on the PACs, which kicked in more than 40 percent of his funding. The new law would limit him to 30 percent of the primary election spending limit.

The cost of running for federal office in the United States has doubled in the last 10 years. If the cost is not to double again, if elections are not to be buried in an avalanche of special interest money, if candidates are not to spend more time talking to out-of-state fundraisers than to their voters, Congress must seize the opportunity offered by the Democratic proposal.

[From the Nevada Appeal, Carson City, NV,
July 2, 1987]

ELECTION FINANCE REFORM NEEDED

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance.

It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing.

In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits.

The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court.

If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster.

In doing so, they would be helping restore the integrity of our representative form of government.

(Appeal editorials are the opinions of the newspaper's editorial board. All other opinions expressed on the Opinion page are those of the artist or author indicated.)

[From the Chandler (AZ) Arizonan, May 29,
1987]

CAMPAIGN FINANCE REFORM DUE

The Senatorial Election Campaign Act has cleared the Senate Rules Committee but faces the roadblock of a Senate filibuster

unless integrity wins out over greed in the hearts of some members of the Senate.

The bill, known as the Boren-Byrd amendment, would place overall voluntary spending limits on senatorial campaigns and limits on the amount of political action committee contributions a candidate could accept.

Among those in opposition to the campaign finance reform act are such big-gun PACs as the American Medical Association and the National Association of Home Builders.

Supporters of the legislation include the American Association of Retired Persons and the International Association of Chiefs of Police.

Senate opposition already has set up a ruse in the amendment introduced by Sen. Todd Stevens, R-Alaska. It is campaign finance reform in name only, and contains neither the spending limits nor the PAC contribution limits.

PAC contributions to Senate candidates have jumped from \$5.4 million in the 1976 election to \$45.7 million in the 1986 election. In the 1976 election it took an average of \$610,000 to win a Senate race. In 1986 it took \$3 million.

Election campaigns are too expensive and financed to too great a degree by PACs. The Senatorial Election Campaign Act is long overdue.

[From the Chillicothe (OH) Gazette, May
28, 1987]

CAMPAIGN ACT NEEDED TO CURB SPENDING

Money sets the world in motion, and politicians want all the action they can get.

Currently the full Senate has in its hopper the Senatorial Election Campaign Act which would put an overall spending limit and limits on the total amount of Political Action Committee contributions a candidate can accept.

The act, designated S. 2, has picked up momentum, winning endorsements by 65 national organizations, the support of 49 senators—only two short of the majority needed for passage—and according to a Gallup Poll the approval of a majority of the American people who feel campaign expense reform is long overdue.

So, what's the problem? Opponents vow to block action on S. 2 by filibustering. To end such a filibuster, 60 senators would have to vote for cloture, and that means S. 2 is in deep trouble.

The PACs, which invest millions in legislators to ensure favorable votes on their pet projects, are not about to take reform lying down. Without the leverage of virtually unlimited cash contributions, the committees would find their powers checked.

Congressional campaigning is costly; in the last 10 years overall expenditures on Senate races have increased fivefold from \$38.1 million in 1976 to \$178.9 million in 1986.

The reform act would clamp a lid on such outrageous spending. Candidates would be required to agree to limit total spending in both the primary and general election in return for which they would be eligible for public funds for the general election campaigns.

The electorate has a right to expect its senators and representatives to do the job for which they presumably have been elected. That is to govern. Not be the puppets of the money machines that churn out the wherewithal needed to keep them on the Congressional payroll.

[From the Messenger, Clemson, SC, June 5, 1987]

CONGRESS PONDERERS

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W. Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress in the nation's history, the need for significant change is urgent.

Senate bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Cleveland (OH) Plain Dealer, June 23, 1987]

THE MUGGING OF S2

Everybody agrees that Congress needs to reform the system of financing campaigns. So why are Senate Republicans opposing that very effort? For three weeks (going on four) they have stalled action on a bill that would overhaul Senate campaign financing. They haven't offered any meaningful alternatives; they haven't raised any credible objections; they haven't offered any improve-

ments. It is said that they are filibustering the bill, but they aren't. They're mugging it.

As written, the Senatorial Election Campaign Act (S2) would limit the total amount of money a candidate could receive from political action committees. It also would outlaw "bundling," a loophole through which PACs escape the \$5,000 limit on their donations by delivering personal checks from PAC members. And it would establish voluntary spending limits for Senate candidates. As part of that voluntary limit, it would offer public financing to candidates who agree to the limits.

Arguments against the bill are difficult to pin down, largely because they are difficult to make. The Republican refrain has been, simply, that public financing somehow is bad. That sounds especially strange, however, when you consider that the man leading the opposition is Sen. Robert Dole, who was the grateful recipient of almost \$450,000 in public funds for his brief, 1980 presidential campaign, and who recently received certification for public funding for his 1988 campaign.

Does public financing somehow skew electoral return? Not so you'd notice. In 1976, a Democrat beat an incumbent Republican. In 1980, a Republican beat an incumbent Democrat. And in 1984, a Republican incumbent was re-elected. Rather than distorting the campaign process, public financing seems to even it out. And if it's good enough for the presidency, it should be good enough for the Senate.

Despite the obvious absence of credible reasoning, Republicans, have remained remorseless. Senate Majority Leader Robert Byrd and Sen. David Boren, two Democrats who are devoted to the idea of Senate campaign finance reform, have thus been forced to seek compromises. The one currently in the works is sensible enough: Candidates who agree to spending limits would receive no public funds unless their opponent spends beyond the limit. The incentive for restraint is clear. What Senate hopeful would want to trigger public funds for his opponent? You can nigger about what the formula for spending limits should be, and how best to cap aggregate PAC contributions. But if Republicans agree with the basic idea of spending limits and only object to public financing, then this compromise is indisputably fair.

The proliferation of political action committees and their shameless manipulation of the limits of what they can contribute has helped inflate campaign spending to nearly impossible heights. In the last congressional elections, 4,000 PACs contributed \$130 million to candidates. Reform is essential, and the Byrd-Boren compromise, if worked out, should satisfy every reasonable objection. If Republicans continue to fight campaign reform, they will only perpetuate and magnify the common belief that the Senate is available only to the highest bidders.

[From the Columbia (SC) Record, June 23, 1987]

HOLLINGS—PAC BILL "DAMNDEST ARROGANCE"

The world's most famous (or is it infamous?) deliberative body, the United States Senate, has spent more than three weeks in inconclusive, partisan wrangling over a fundamentally sound piece of legislation, one which would bring about genuine campaign reform. Five times proponents have sought cloture to break a Republican-sparked filibuster and failed. It is time surely, to re-

solve the impasse and send the bill to the House.

The legislation, commonly called S.2, is co-sponsored by 45 Democrats and two Republicans. It establishes a system of voluntary public financing for Senate elections, an extension of the check-off system now provided on income tax returns for funding presidential campaigns. Equally important, the bill sharply restricts the amount of money candidates can spend and accept from political action committees (PACs). It would allow Senate candidates to apply for public funds if they meet certain requirements or restrictions. For example, they would have to limit total general election spending to a specific amount depending on the population of the state.

It should come as no surprise that both South Carolina Senators—Republican Strom Thurmond and Democrat Ernest F. "Fritz" Hollings—oppose the bill. Both have been big PAC beneficiaries in past re-election efforts. Thurmond received \$549,000 in PAC funds in 1984, and Hollings got \$952,382 in 1986. Under the pending bill, the aggregate PAC limit for the South Carolina primary and general elections would be \$226,627.

Hollings calls the bill "the damndest arrogance I have seen around here." He and other critics of the bill claim the cost to taxpayers could run as high as \$500 million every two years. Not so, argue the proponents, who point to figures worked up by the Federal Election Commission, the agency which would administer the legislation and handle distribution of public funds to Senatorial candidates. The commission estimates the price tag in '88 at a relatively modest \$87.3 million.

There is an arrogance in the way this nation conducts its political campaigns. It comes not from bills like S.2. It emanates instead, from PACs whose monetary impact on congressional candidates reached a record \$130 million in '86, more than 10 times the amount spent in 1974.

Two years ago, the Commission on National Elections said public financing of presidential elections "has clearly proved its worth by opening up the process (and) reducing undue influence of individuals and groups." S.2 is the next logical step.

[From the Cumberland (MD) News, Aug. 1, 1987]

CAMPAIGN CASH CONCERNS SENATE

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limit and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

CAMPAIGN FINANCING—SENATE REPUBLICANS SHOULD END FILIBUSTER

Whether congressional candidates compete on the basis of their ideas or on the basis of their fund-raising abilities is likely to be determined by what happens to a campaign finance reform bill now tied up in the U.S. Senate.

For more than a month, a Republican filibuster has blocked consideration of the measure, which is aimed at reducing the inordinate influence of special interest donations in congressional races and reining in the huge amounts of money that candidates need to spend in order to get elected.

Now, in an effort to end the filibuster, Senate Democrats have offered a compromise that addresses the concern that many Republicans has expressed about the system of public financing called for in the original bill. No longer would senatorial candidates be encouraged to use public money.

Under the proposed compromise, public financing would become the exception rather than the rule. A senatorial candidate would be entitled to such money only when an opponent exceeded the measure's suggested spending limits.

That's reasonable. Those Republicans who are committed to holding down spending in campaigns have no grounds for delaying consideration of the important legislation any further. They should end their filibuster and allow a vote by the full Senate.

Ten years ago, another filibuster killed campaign finance reform legislation. Since then, special interest donations have increased from \$5.4 million to \$45.7 million, and spending in Senate campaigns has soared from \$38.1 million to \$178.9 million. The nation simply cannot afford another successful filibuster.

The growing influence of special interest groups in Congress threatens the public's fundamental right to set the legislative agenda. And the rapidly climbing cost of campaigning not only discourages many talented men and women from entering politics, it forces officeholders to spend too much time raising money and to neglect their paramount business of lawmaking.

The reform legislation now before the Senate would attempt to restore the public's faith in its elected officials by limiting the overall amount of money a congressional candidate could accept from special interest groups and by encouraging Senate candidates to abide by prescribed spending limits.

Contrary to what critics say, limiting what candidates could spend would not punish challengers and reward incumbents. If anything, the present system of ever escalating campaign expenditures is making it increasingly difficult for challengers to raise enough money to defeat incumbents.

The sooner the Senate can break its deadlock over campaign finance reform and approve some meaningful legislation, the sooner it will ensure that congressional candidates devote their time to debating the issues rather than soliciting funds. Further delay only would add to the public's disdain.

[From the Dallas (TX) Times Herald, June 14, 1987]

TIME TO SEND PACS PACKING

One of the top priorities of Congress should be the reform of campaign financing, which has become a disgrace through its overdependence on political action committees. A bill now being debated in the U.S. Senate would impose limits on the total contributions allowed from PACs and provide for public financing of Senate campaigns.

The merits of this legislation are so apparent that it has 44 sponsors. But a small group of senators has promised to filibuster the bill into oblivion. Senate Majority Leader Robert Byrd is leading the effort to stop the talkathons with a petition to limit debate on the issue.

Neither senator from Texas can be counted on where this issue is concerned.

Sen. Lloyd Bentsen, who scrapped his \$10,000-a-head, fat-cat breakfasts under public pressure early this year, is having trouble supporting the public-financing aspects of the legislation.

Sen. Phil Gramm, R-College Station, voted against similar legislation introduced last year by Sen. David Boren, D-Okla., who refuses to accept any PAC contributions. Sen. Gramm vehemently opposes using public funds to pay for campaigns. The estimated \$50 million annual cost of public financing for Senate races would be paid for with a voluntary \$1 tax checkoff. An overwhelming majority of taxpayers already have volunteered to pay the \$1 per year for presidential campaigns.

The current process is far more expensive in terms of the valuable time allotted by members of Congress to raising large contributions from special-interest groups, the bad legislation passed at the behest of those groups and the hidden costs those special interests pass on to taxpayers in the form of industry tax breaks and consumer charges.

Ultimately, every taxpayer and voter pays for those PAC gifts.

Those who oppose the reform measure should realize they are siding with what Common Cause President Fred Wertheimer calls a "fundamentally corrupt campaign finance system."

Each Senator's stand on this issue reflects his concern about the continuing loss of taxpayer influence in the face of growing PAC power. Voters should remember where each senator stood on this issue at election time.

[From the Danbury (CT) News-Times, June 18, 1987]

CAMPAIGN FINANCING

The U.S. Senate seems unable to move forward on reforming the way campaigns are financed, so strong is the lure of the big bucks donated by political action committees.

Legislation now stuck in the Senate would limit the total amount of PAC money any congressional candidate could accept and would establish a voluntary system of spending limits, together with partial public financing, in Senate races.

The bill would create a new world for congressional candidates, ending their dependence on wealthy special interest groups and giving challengers a better opportunity to compete with the incumbents who attract most of the PAC money.

The need for reform is clear. PACs poured more than \$130 million into 1986 congressional races—a six-fold increase from a decade ago. Twenty-four U.S. senators received more than \$1 million each from PACs during their last election. And almost half of all House members received 50 percent or more of their campaign money from PACs in 1986.

That means when PACs talk, congressmen and senators have to listen. Voters are no longer the primary consideration, getting money from PACs is. And the injection of PAC dollars has encouraged higher and higher spending on campaigns.

It is a system that, as former Sen. Barry Goldwater says, "eats at the heart of the democratic process." This must be the year it is stopped.

[From the Danville (PA) News, June 4, 1987]

CONGRESS PONDS ITS OWN "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general elec-

tion races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Daytona Beach (FL) News-Journal, June 15, 1987]

SENATE PAC LIMITS BILL DESERVES A CHANCE

Campaign finance reform, off to such an unexpectedly brisk start at the beginning of the session, has become bogged down in the obstructionist tactics of a group of Republican senators. A filibuster was still continuing Friday against a plan to limit contributions from Political Action Committees (PACs) and place caps on campaign spending in U.S. Senate races.

When the bill was introduced at the start of the session, it had 47 co-sponsors including Florida's senators, Lawton Chiles and Bob Graham. At that time, the memory of the 1986 senatorial elections was still fresh and provided a powerful argument in favor of the bill. The average winning senate campaign cost \$3 million that year. In Florida, the race between Sen. Graham and Paula Hawkins cost more than \$12.5 million.

When elections cost this much, fundraising is the No. 1 campaign priority; anything else—such as getting out to meet the voters and talking about the issues—is secondary. In campaigns that expensive, a PAC is a senator's best friend. PACs spent \$45.7 million in the 1986 senate elections. When special interests pick up such a large tab, they must expect a great deal in return.

The senatorial campaign act would help remedy the situation by regulating campaign spending in Senate campaigns the way presidential campaign spending is regulated.

The bill provides for public funding for campaigns. In exchange for accepting public funds, a candidate would have to agree to set campaign spending limits which would vary from state to state depending on its

size. The funds would come from a voluntary tax check-off such as the one now used for presidential elections.

An individual PAC would be able to give no more than \$3,000 to a candidate and a candidate would be limited to receiving between \$175,000 and \$750,000, depending on the size of the state.

Some have tried to head off this needed reform by proposing that PACs simply not be allowed to make contributions to individual senators.

On the surface this sounds like a step forward. In practice, it means PACs could pass along more money than they do now. Although PACs would be forbidden from making donations themselves, they would be able to pass along members' checks to candidates. This bill would change only the mechanics of collecting money. PACs currently are limited to contributing \$5,000 per candidate each election. This misleading proposal would remove even that limitation.

It would be a pity if obstructionist tactics and phony "reform" bills derail this reform. Last November's senate elections highlighted how fundraising has gotten out of control. Unless this bill is passed, future elections promise the same problems on an even larger scale: more media campaigns, a larger role for special interests, and a voting public that is more turned off and alienated than ever.

[From the Denison (TX) Herald, June 19, 1987]

CONGRESS PONDERS "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren Bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC con-

tributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the DuBois (PA) Courier-Express, June 30, 1987]

CAMPAIGN MONSTER

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme

Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Du Bois (PA) Courier-Express, May 28, 1987]

CONGRESS HAS MONEY SCANDAL OF ITS OWN

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Senator David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster.

It is hoped he will push hard to get the necessary votes.

[From the El Dorado (KS) Times, July 9, 1987]

SLAY THE MONSTER

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From The Eugene (OR) Register-Guard, June 14, 1987]

REAL REFORM NEEDED

Once it dispenses with such parliamentary gamesmanship as a filibuster over the issue of campaign finance reform, the U.S. Senate will be presented with two choices:

- (1) Genuine, get-to-the-heart-of-the-problem reform, or . . .
- (2) Cosmetic change aimed only at stopping real reform.

While the Senate's choice appears easy, it isn't. Politicians are less than eager to change a campaign system that has installed them in office and keeps them there. But, praise be, there are senators—49 at last count—who apparently are ready to halt the skyrocketing cost of campaigns and eliminate the stench of special interest money that accompanies it.

The effort at genuine campaign finance reform is sponsored by Sen. David Boren, D-Okla., Senate Majority Leader Robert Byrd, D-W.Va., and 47 co-sponsors. The Boren-Byrd proposal seeks a limited form of public finance for congressional races—similar to that now used in presidential campaigns—with a concomitant lid on how much political action committees (PACs) can contribute singly or in groups to an individual candidate. (For First Amendment reasons, the U.S. Supreme Court has said that limits can be placed on campaign spending and contributions only if accompanied by a system of public finance. The Boren-Byrd proposal appears to meet the court's test.)

The other choice facing the Senate is one put forth by a group of Republicans, led by Oregon's own Bob Packwood. Packwood, who received more than \$1 million for his 1986 re-election campaign from PACs, ironically proposes to ban all direct PAC contributions to candidates.

The senator's prohibition seems appealing but is little more than a smokescreen. He would still permit PAC contributions to political parties (which could in turn give the money to candidates) and he makes no attempt to solve the problem of "bundling." Bundling occurs when a group of PACs, each theoretically limited in the amount it can donate to a candidate, combines members' individual contributions into a much larger—and more influential—single donation.

Packwood has long opposed publicly financed campaigns. It is irrelevant whether that's because he thinks taxpayer-subsidized campaigns would discourage "voluntary grass roots participation," as he claims, or because he functions so well in the present system. What's important is that rather than fight the Boren-Byrd proposal head-on, he has chosen the oblique path of a gimmick-laden substitute.

It should be unarguable that huge campaign donations from special interests bring with them what The (Portland) Oregonian correctly describes as "real or implied obligations." The greater the amounts of money donated, the greater the obligations.

The current system is an abomination and must be reformed. The Boren-Byrd proposal is an attempt to do that. The Packwood proposal isn't. The Senate's choice should be clear.

[From The Evansville (IN) Press, June 30, 1987]

SLAYING THE MONSTER

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal

or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

We would prefer a much stronger bill, with tighter reductions on campaign spending. That probably won't happen, and the present bill offers at least the beginning of reform.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Northwest Arkansas Times, Fayetteville (AR) June 11, 1987]

MONEY BUSINESS

While the Iran-Contra hearings are grabbing all the headlines in Washington, other things are going on as well. On the Senate floor for consideration this month is Senate

Bill 2, which would overhaul the current campaign financing system.

Common Cause, the national citizens lobby group, has been in the forefront in supporting the measure. Fred Wertheimer, president of CC, says the proposed measure contains two provisions essential to any meaningful, comprehensive reform of the system; "overall spending limits and limits on the total amount of political action committee contributions a candidate can accept."

The need to curb the spending of political action committees (PACs) is evident. Over the past 10 years spending in Senate races has increased almost five-fold, from \$38.1 million in 1976 to \$178.9 million in 1986. In a letter to all members of the Senate, Wertheimer noted if the currently proposed legislation had been in effect in the 1986 election PAC spending would have been cut by two-thirds, from \$45 million to \$16 million.

The bill would also establish a voluntary system of spending limits and limits on the use of personal wealth, a move that would help open elected office to those who may not possess massive personal wealth.

"By placing congressional office increasingly out of the reach of citizens lacking considerable financial resources or the ability to raise large sums from private sources," Wertheimer wrote, "and by demanding an enormous commitment to candidate's time and attention to fundraising activities, soaring campaign spending is changing the very nature of elections and our political process."

An amendment offered to S. 2 by Republican Senators Mitch McConnell of Kentucky and Robert Packwood of Oregon has been labeled by its supporters as a measure to eliminate PAC contributions. But does it?

Hardly. The McConnell-Packwood bill would instead lead to PACs changing their method of providing money to a congressional candidate and in so doing would open the door to PACs providing unlimited sums to a candidate.

What the amendment proposes is prohibiting direct PAC contributions to a candidate. It would, however, legitimize the practice of PACs bundling and delivering unlimited sums to candidates, collected by the PACs from individual contributors. All the PACs need do is make sure the checks are made out to the candidate rather than the PAC. The process is called "bundling." What the so-called reform amounts to is simply a change in the mechanics of money-funneling the PACs are famous for.

S. 2, without the McConnell-Packwood amendment, would close the bundling loophole, would restrict the role of PAC money, limit the skyrocketing cost of campaigns and reduce the enormous amount of time being spent by candidates on fundraising. It deserves support.

[From the Fresno (CA) Bee, June 19, 1987]

TALKING REFORM TO DEATH

Republicans in the U.S. Senate are attempting to kill by filibuster a much-needed bill to reform the way senatorial campaigns are financed. In response, Senate Majority Leader Robert Byrd, a chief sponsor of the bill along with Sen. David Boren of Oklahoma, is threatening to keep the measure on the floor indefinitely.

Byrd and the Democrats should hold firm, even though it may prevent action on major trade and defense spending bills. The Republicans' demands that partial public financing of campaigns and limits on cam-

paign spending be eliminated would render the bill meaningless. The Supreme Court in 1976 ruled, in effect, that spending limits can be established only as part of a voluntary system that includes public financing—the essence of the Boren-Byrd bill.

In an effort to compromise, Boren and Byrd recently offered an amendment that would cut the amount of public financing—and hence the cost to taxpayers—by at least half. The amendment also makes further attempts to limit the influence of political action committees by providing public matching funds only for contributions from individuals, to a maximum of \$250.

Still, the Republicans have been unwilling to budge. Republican Leader Robert Dole claims that public financing of senatorial campaigns would be "an assault on the Republican Party" and "an assault on the taxpayer."

What Dole neglects to mention is that public financing of presidential campaigns, enacted in 1974 in the wake of the Watergate scandal, has worked well and has been used by 34 of 35 major party candidates who have sought the presidency. In 1985, the bipartisan Commission on National Elections concluded that it "has clearly proved its worth in opening up the process, reducing undue influence of individuals and groups, and virtually ending corruption in presidential election finance." Dole himself just became eligible the other day to receive public matching funds in his campaign for the presidency.

Of course Republicans tend to have a somewhat greater capacity for raising large chunks of private money. But that kind of money can hardly be regarded as one of the glories of the democratic process. The issue here is not partisan politics, it's the integrity of the political system.

The current system is corrupting. The skyrocketing costs of senatorial campaigns force incumbents to begin raising money almost as soon as they're returned to office. Challengers begin the quest for cash more than a year ahead of time. The bulk of the money comes in big chunks from political action committees and other special interests, which give it in expectation of favorable treatment. Too often the big contributors get what they seek.

While the Boren-Byrd bill won't solve all the problems, it will help restore some credibility to the system. For that, it's worth the fight.

[From the Gainesville (FL) Sun, June 30, 1987]

THE GOP OBSTRUCTIONISTS

In years past, many southern Democrats in the Senate were known to embrace the filibuster, using long-winded speeches to postpone or prevent a vote on legislation they opposed. Integration and equal rights legislation come to mind as examples.

Now it's the Republicans who are trying to talk a bill to death. Their efforts are as unbecoming as the Southern Democrats' efforts to delay equal justice for all. The bill now being filibustered seeks to remove the valid impression that Congress has a price. Or, as Florida Sen. Lawton Chiles said: "A large part of the American public thinks this Congress is the best money can buy."

The bill is entering its fifth week of debate. Its major provisions are:

Candidates would receive federal funds to help finance campaigns, provided they limited contributions from political actions committees.

Contributions from PACs could not exceed \$175,000 to \$750,000, depending on the size of the state.

Maximum individual contributions to PACs would be reduced from \$5,000 to \$3,000.

Archibald Cox, chairman of Common Cause, a public interest lobby, said high campaign expenditures "drive the candidate to seek money from special interests seeking favors from government. Senators and representatives become less responsive to the people as their campaigns become more dominated by PACs."

In 1986 races, PACs favored incumbents over challengers by a ratio of 6 to 1. Since 1978, the number of representatives receiving more than half their contributions from PACs has more than tripled.

Republican opponents argue that tax money shouldn't go toward congressional elections. But Cox puts the amount in perspective: "The annual cost of (the campaign-reform bill) is a small price to pay the annual representative government—one-third the annual amount appropriated by Congress for military bands."

Sen. David L. Boren, D-Okla., the bill's chief sponsor, said the pursuit of election funds has turned congressmen "into panhandlers; begging for money, spending their time raising money instead of dealing with problems."

The Republican effort to allow unlimited campaign spending has brought the Senate's business to a halt. Florida's two senators—Chiles and Bob Graham—supported a recent attempt to end the filibuster, but it failed by eight votes.

The filibuster should end. Americans have the right to know which of their representatives want to continue to be panhandlers and beggars, more concerned with raising money to extend their terms in office than dealing with problems.

[From the Gardner (MA) News, June 19, 1987]

CONGRESS PONDERES ITS OWN "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would

range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would affect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Great Falls (MT) Tribune, June 6, 1987]

ELECTION SPENDING LIMITS ARE A MUST

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading.

But Congress is dealing with a semi-scandal of its own involving the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business.

Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending. As approved in committee, the measure would create a series of voluntary spending limits in Senate primary and general election races.

It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom oppose public financing of campaigns. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but

would not include public financing or spending limits.

Though the Republican measure would affect the status quo only slightly, it's reassuring that they recognize change is needed. Last year, political action committees tossed more than \$130 million into the campaigns of senators. That is far too much influence, and everyone realizes it.

Byrd's measure will reach the floor of the Senate this month. As it looks now, the Democrats have enough votes to pass the bill, but they may not have the 60 votes needed to invoke cloture if the Republicans filibuster. We support the measure—but recognize it may be necessary to frame a compromise with its opponents.

A grass-roots suggestion: If Congress were to revoke its pay increase of last fall, the money saved would pay for at least part of the public funding of congressional campaigns.

[From the Record, Hackensack, NJ, June 16, 1987]

WHERE CASH IS KING

Senate Republicans are blocking the most promising effort in years to free Senate campaigns from the tyranny of wealthy contributors. These GOP obstructionists aren't doing any favors for themselves, their party, or their country.

Under the present system of campaign financing, cash is king. Candidates are forced to humiliate themselves by fawning over rich lobbyists, tycoons, and heirs. The cost of running for office is high enough to scare off, or disgust, candidates who might make a strong contribution to Congress. In California in 1986, the two Senate candidates spent \$22 million; in Florida, \$12.6 million. The only way many candidates can get in the game is to cozy up to political-action committees.

PACs—campaign-financing organizations set up by real-estate developers, banks, chemical companies, and nearly every other special interest you can think of—are growing like mushrooms. In 1976 they contributed a total of \$22 million to congressional campaigns. By 1986 the figure was over \$130 million. Almost one out of every four members of the Senate, 24 of 100, took in more than \$1 million in PAC money the last time they ran. Almost half the members of the House of Representatives, 194 of 435, got at least 50 percent of their money from PAC's in 1986.

Sen. David Boren, D-Okla., and Senate Majority Leader Robert Byrd, D-W.Va., have a sensible proposal to limit both spending and PAC contributions in Senate campaigns. Spending would be tied to a population-based formula; in New Jersey, for example, the U.S. Senate candidates would have to keep their total spending—for both primary and general elections—below \$4.8 million. This is considerably less than either incumbent spent on the last go-round—Bill Bradley \$5.1 million in 1984, Frank Lautenberg \$6.4 million in 1982. Total PAC contributions for both elections would be limited to \$578,880. The present \$5,000 ceiling on individual PAC contributions would be unchanged.

Candidates wouldn't have to accept these limits. But if they did, they could collect some of their campaign funds from the public treasury. Perhaps more important, they could escape being tagged as out to buy the election.

Republicans argue that the change would make it harder for a challenger to defeat a

well-known incumbent. This ignores the overwhelming support PAC's give incumbents now. It's also worth recalling that the first two incumbent presidents to seek reelection under the public-financing system already in place for presidential races, Gerald Ford and Jimmy Carter, both lost. And although Republicans grumble about the cost of public financing, it's a bargain at \$50 million a year, to be financed by a voluntary tax checkoff. The price is worth paying to get people to stop snickering about candidates who do everything but dive off high cliffs to get money.

Senate Majority Leader Byrd says he's going to keep holding Senate votes on campaign financing until he gets it passed. In the end, he hopes, Republicans will realize they're wrong. If that's too much to hope for, they may realize that they're embarrassing themselves and the GOP. Only rich lobbyists could love the present system. And even a lot of lobbyist would be grateful if senators and would-be senators would stop putting the arm on them.

[From the Hartford Courant, Hartford, CT, July 13, 1987]

SENATORS TESTED ON ELECTION SPENDING

Do members of the Senate believe that congressional election spending and the role of political action committees in Senate and House campaigns have gotten out of hand? In an interview, most probably would frown with concern and say yes. Soon we'll see what they do when the question, in as basic a form as it's ever likely to take, comes to a vote.

A comprehensive, workable, fair and effective campaign finance reform package has been awaiting action in the Senate for more than a month. It would combine controls on what House and Senate candidates could take from PACs with a system of voluntary public financing linked to spending limits in Senate general election campaigns.

But a vote on the bill, which is sponsored by Democrats Robert C. Byrd of West Virginia and David L. Boren of Oklahoma, has been blocked by a Republican filibuster. Not even the considerable talents of Mr. Byrd, the majority leader, could work the measure free. Attempts to invoke cloture—supported by Connecticut's Christopher J. Dodd, a Democrat, but opposed by Lowell P. Weicker, a Republican—have come to naught.

So the sponsors turned to compromise, and have offered a substitute version of their bill. A cloture vote to clear the way for action on the new package could occur this week. Any senator who wants to reduce the huge and unhealthy role of money in congressional politics will vote for cloture and the bill.

The compromise amounted to removing the public financing provisions, with one exception: If a candidate who decided not to take part in the voluntary spending-limit system exceeded the limits established by the bill, the candidate's opponent would receive offsetting public money derived from a voluntary tax checkoff.

To induce candidates to accept the spending limits, the bill would give them special low rates for mailing and broadcast advertising. Nominees who rejected the limits couldn't get the low rates, and their rejection would have to be disclosed in advertising and other campaign materials.

When reform is badly needed, no compromise satisfies. Public financing remains the best way to reduce the influence of special-interest groups and to return campaign

spending to reasonable levels. It has been highly effective in reforming the presidential campaign system and returning at least that sector of politics to the people.

But modest reform is better than none, and the substitute bill would do a lot of good. With the elimination of routine public financing—apparently the most objectionable part of the original bill in the eyes of many senators—the only credible explanation for a vote against cloture or the compromise package will be a desire to preserve the status quo.

[From the Hartford Courant, Hartford, CT, June 9, 1987]

DOES THE SENATE WANT REFORM?

You would be hard-pressed to find many members of the U.S. Senate who say they're unconcerned about the monetary saturation of congressional election campaigns. Today you may be able to learn how many senators want to translate purported concern into meaningful action by supporting effective campaign finance reform.

The Senate last week began debating a measure that would produce meaningful reform, a bill sponsored by David L. Boren, an Oklahoma Democrat, and Majority Leader Robert C. Byrd of West Virginia. It would dramatically reduce the role of political action committees in Senate and House elections—and thus the unhealthy influence of PACs in the making of the nation's laws. Most important, it would establish a system of public financing for candidates in Senate elections. That step is essential if the public interest is going to recapture the ground that special interests have managed to buy.

It was predictable that many members of Congress would resist any fundamental change in the vehicle that brought them to Washington, and sure enough, opposition has surfaced. Republican senators have criticized public financing as intrusive and offered several alternative campaign finance reform bills—most of them unworthy of the name. Fearing passage of the Boren-Byrd bill, which at last count had 47 co-sponsors, Republicans have threatened to block it by filibustering. A vote on whether to invoke cloture, thus stopping the delay, is expected to occur today.

Although the Republican bills contain some attractive ideas, they basically seem to be attempts to present an illusion of reform while preserving as much of the status quo as possible.

One measure, for example, would prohibit PAC contributions to congressional candidates, certainly a dramatic step. But the bill, offered by Sens. Robert W. Packwood of Oregon and Mitch McConnell of Kentucky, would allow PACs to continue donating to party committees and groups not linked to candidates. Since this money then could be used to help particular candidates, little would be accomplished.

Legislation offered by Sen. Ted Stevens, an Alaska Republican, would limit committee contributions to candidates but it would allow individuals to give more than they can now. Ostensibly it would deal with a loophole in the law that invites an abuse called bundling, in which PACs evade the legal limits on what they can give to candidates by encouraging and delivering individual contributions to them. But the Stevens measure only would require that bundled checks be made payable to candidates. That's authorization, not prevention.

Yet the biggest weakness in the GOP bills is that they don't squarely confront the root issue: the enormous, and rapidly growing,

amount of money spent on congressional elections. About \$38 million was spent on Senate races in 1976; 10 years later, almost \$179 million was spent. A reasonable but firm cap on spending is indispensable, as is a total limit on what each candidate can receive from PACs. The Boren-Byrd bill has both, and a lot more.

If the Senate, to borrow a phrase from Sen. Edward M. Kennedy of Massachusetts, is serious about driving "the money lenders out of the temple of politics," it won't let a filibuster, or the temptation of ersatz campaign finance reform, divert it from the real thing.

[From the South Dade News Leader, Homestead, FL, June 3, 1987]

CONGRESS PONDERS A FINANCING SCANDAL

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime this month. As it looks now, Byrd has enough votes to pass the bill,

but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Clarion-Ledger, Jackson, (MS), July 13, 1987]

FINANCE REFORM—BILLS ENCOURAGE FAIRER CAMPAIGNS

A comprehensive campaign finance bill has surfaced in the U.S. House of Representatives—a good sign that some reform will come from Congress soon.

The House bill would establish a voluntary system of overall spending limits and prescribe limits on the use of personal wealth in campaigns, along with providing partial public financing for House general election campaigns. It would also limit the total amount of political action committee contributions a congressional candidate can accept.

A host of members in the Senate, including John C. Stennis of Mississippi, introduced their plan for campaign finance reform last month, but have gained little ground due to a filibuster led by Republican conservatives.

The stall tactic forced supporters of the Senate reform bill to introduce a new proposal that limits campaign spending and puts and aggregate limit on the total amount of political action committee contributions which candidates may accept. The new proposal eliminates the controversial public financing for Senate elections, except in certain circumstances.

Both plans are fair and reasonable. The key is to limit campaign spending, which has gotten out of control, and to set confines on contributions from political action committees.

[From the Clarion-Ledger, Jackson, (MS), June 12, 1987]

LESS MONEY—CONTROLLING SPECIAL INTERESTS

Campaign financing for candidates seeking election to the U.S. Senate must be reformed and the best improvement offered so far is through the taxpayer.

Sen. John Stennis of Mississippi is co-sponsor of legislation before the Senate this week that would allow partial public financing of Senate elections, instead of heavy dependence on political action committees.

Stennis received \$232,300 from political action committees during his 1983 campaign in which contributions totaled \$994,000.

The reform measure, which was written by Sen. David Boren of Oklahoma, sets up optional public financing of political campaigns using a formula based on a state's population and setting various spending ranges for primary and general elections as well as runoff elections.

On the other end of the spectrum, Sen. Thad Cochran, also of Mississippi, says he supports more limits on media advertising and better disclosure of contributors to a candidate.

In his 1984 re-election bid, in which contributions totaled \$2.8 million, Cochran received \$969,739 from Political action committees.

The special interest groups are willing to spend the dollars and attract candidates who will likely feel indebted to vote for certain causes.

Reforms to dilute the strength of special interest groups are necessary. Stennis' legislation is a good beginning. Campaign financing must be changed.

[From the Kenosha News, Kenosha, WI, July 7, 1987]

SLAY THE MONSTER

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kans., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Record-Courier, Kent-Ravenna, OH, June 30, 1987]

ALL UP IN KNOTS

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal

or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kans., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly 5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount of any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Valley News, Lebanon, NH, June 27, 1987]

CAMPAIGN SPENDING

The most direct, and perhaps best, way to control the spiraling cost of campaigns would be to place a limit on donations from political action committees (PACs) and an overall limit on campaign spending. But that has been judged unconstitutional by the Supreme Court.

The second best way to slow the flow of cash into politics is to ask candidates to vol-

untarily accept spending limits by offering public financing as an inducement. Such a system has been used for presidential elections since 1974 and all but one of the 35 major party candidates have accepted public financing and limitations on campaign spending.

It is now time to bring the same sensible kind of reform to congressional campaigns. In 10 years, spending on Senate races has increased five-fold to \$179 million. On average, a successful candidate for the Senate spends \$3 million to get elected.

The Senate is now considering a bill sponsored by Sens. Robert Byrd, D-W.Va., and David Boren, D-Okla., that would place those types of limitations on congressional campaigning. The bill proposes to limit the total amount of PAC contributions a candidate may accept (\$1,000,000 for House elections; between \$191,000 and \$825,000 in Senate elections, depending on the size of the state) and limit total campaign spending.

Common Cause, which has long fought for campaign finance reform, estimates that the bill would have reduced PAC contributions by two-thirds in 1986 Senate races. Sen. Patrick Leahy, D-Vt., for example, raised about \$825,000 in 1986. Under the proposal, he would have been limited to \$190,000.

There are several good reasons why PAC donations and overall spending should be reduced. Businesses, unions and industrial groups don't make campaign contributions out of generosity. They make them to gain political access. Judging from the steady increase in PAC giving, they apparently are satisfied with what they're getting.

PAC donations also tend to benefit incumbents over challengers. Incumbents are much more likely to win any given election and therefore hold more promise to make PAC contributions a good investment. And, because of the astronomical cost of running for office, politicians find themselves spending more and more time raising money for their next election than delivering on all the promises they made in their previous one. Limiting overall spending would take some of that burden off our politicians and give them more time to fulfill the responsibilities of their offices.

Although 49 senators initially supported the Byrd-Boren measure, a sizable opposition has since surfaced. Opponents, who are mostly Republican, have offered an alternative proposal that would change the mechanics of PAC giving but not affect aggregate amounts. They have also complained about the drain of public financing on the Treasury.

Democrats have responded with a couple of reasonable compromises: One that would limit public financing to 40 percent of the established limit for overall spending and another that would provide public financing only to a candidate whose opponent refused to accept the voluntary limits.

Right now, the Boren-Byrd proposal is going nowhere. It is locked in filibuster in the Senate. The same tactic was used in 1979, the last time a comprehensive campaign finance reform package was considered.

We hope the tendered compromise, the continued climb of campaign costs in the last eight years and, ultimately, concern for the integrity of Congress will make for a different outcome in 1987.

[From The Leesburg Commercial, Leesburg, FL, July 4, 1987]

SENATE SHOULD ADOPT PROPOSAL TO RESTRICT CAMPAIGN SPENDING

The issue of political action committee financing of congressional races is being addressed by the Senate. It's about time.

In 1976, PACs contributed \$5.4 million to Senate candidates. That's a big hunk of change, but that's all it is when compared to the \$45 million donated to Senate races last year by PACs, with almost half of all senators collecting at least \$1 million for their 1986 and future campaigns.

The growth of the PAC system has been detailed time and again, along with calls for meaningful reforms in campaign finance laws to eliminate PAC spending and influence. On the whole, Congress has ignored those calls, with proposals to limit or do away with PACs falling mainly on deaf ears.

Now, however, the Senate has a chance to begin meaningful campaign finance reform by supporting and refining a proposal from Senate Majority Leader Robert Byrd to limit campaign spending. Byrd's proposal ties campaign spending by Senate candidates to a state population on a voluntary basis, and limits House candidates to receiving no more than \$100,000 from PACs.

Senate candidates not going along with the volunteer program would be limited to what he or she could receive from PACs. Also, Senate candidates could dip into the federal election fund for money to match what they receive in contributions of \$250 or less.

In Florida, Senate candidates could spend up to \$2.8 million on the general election. Considering that last year winner Bob Graham and loser Paula Hawkins spent about six times that much, the Byrd proposal could greatly reduce what's spent on Senate campaigns here.

There are some bugs that ought to be worked out of the Byrd proposal, such as the need to extend its coverage to primary races, making it mandatory instead of voluntary, and tying it into overall campaign finance reforms. But it is a good starting point, and one that enlightened members of the Senate, such as Graham and Florida's other senator, Lawton Chiles, support.

[From the Lewiston (ID) Tribune, June 10, 1987]

THIS BILL WON'T CURE PACS' INFLUENCE

A Democratic Senate bill to curb campaign financing by political action committees, or PACs, is being countered by a Republican-sponsored bill to eliminate PAC contributions altogether to specific congressional candidates. Sens. Bob Packwood of Oregon and Mitch McConnell of Kentucky, who introduced the Republican measure last week, have said they do not necessarily believe the PACs are a bad influence on campaigns but that the public seems to think so—and that their role therefore should be restricted.

That is what they call in politics, these days, a case of smoke and mirrors. The Packwood-McConnell bill would in effect expand the role of the PACs while appearing to restrict it. This is how it would work, according to Fred Wertheimer, president of Common Cause:

"The impact that the McConnell-Packwood legislation would have on PAC money is perhaps best demonstrated by what occurred in Senator Packwood's 1986 reelection campaign. In that election, ALIGNPAC, a PAC representing insurance inter-

ests, gave Senator Packwood a \$1,000 contribution made out from ALIGNPAC to Senator Packwood. At the same time, ALIGNPAC also gathered and turned over to Senator Packwood \$215,000 in checks made out by ALIGNPAC's members directly to Senator Packwood.

"This controversial practice, known as 'bundling,' allowed ALIGNPAC to massively evade the \$5,000 per election PAC contribution limit and to get credit for providing what was the equivalent of a \$215,000 contribution from ALIGNPAC to Senator Packwood."

The McConnell-Packwood bill would prevent any PAC from contributing money directly to any candidate, but it would permit the PACs to give unlimited amounts to committees that could then turn the money over to specific candidates. And, as Wertheimer notes, PACs could collect checks from members in any amount, and the candidates would have no doubt where it came from. The influence of special-interest money on congressional campaigns would be expanded, not curbed.

This is the Republican answer to a Democratic bill that would reduce PAC influence on members of Congress by closing the "bundling" loophole and by financing campaigns partly with public funds. If the Senate truly seeks to reduce big-money influence on congressional elections, these bills offer an easy choice.

[From the Lewiston (ME) Daily Sun, June 15, 1987]

CAMPAIGN THEATRICS

As the cost of running a successful campaign for Congress climbs, the cast of characters in the political arena declines.

And as the qualifiers for the Washington payroll shrink, the quality of representation wanes.

But alack, is this trend to be or not to be? A bill before the U.S. Senate would reverse this course by limiting contributions from private donors as well as spending from candidates' personal funds.

The Senate Election Campaign Act took center stage Thursday but the script on the Senate floor was reduced to a dull filibuster.

In the spotlight is the measure that is also known as the Byrd-Boren bill—a proposal to limit campaign costs and Political Action Committee contributions by propping up the revenues with public financing. The Supreme Court prompted the need for public money by ruling that Congress can limit campaign finances only if it provides public funds—thus the rub.

The protagonists of the opposition—Sens. Robert Packwood, R-Ore., and Mitch McConnell, R-Ky.—have submitted a legislative charade to counter the Byrd-Boren bill. The two claim their bill would eliminate PAC contributions but the fact is it would simply change the path of the money. The absurd proposal would force PACs to adopt a method called bundling—having individual PAC members make small donations to candidates instead of the organization as a whole. It would also make PACs funnel money to the political parties and the parties would then pass it on to the candidates—thus in effect eliminating any ceiling for PAC contributions.

By contrast, the Byrd-Boren bill would explicitly prohibit bundling and limit PAC contributions to \$5,000. It would put a stop to the spiraling costs of campaigns, decrease the influence of special-interest groups and

reduce the amount of time candidates spend raising funds.

There are over 4,000 PACs increasing their monetary theatrics for candidates every year. In 1976, Senate candidates received \$5 million in PAC funds. In 1986, the figure had climbed to \$45 million.

Meanwhile, Packwood and McConnell were enacting a tragedy on the congressional stage Thursday. If the Senate had its act together, it would have mustered the 60 votes needed to pull the curtain on the filibuster.

The scene for the next act will take place with a cloture vote scheduled for next week. Hopefully, the slings and arrows of outrageous PAC fortune will miss their target in the election arena and rationality will prevail.

[From the Lewistown (PA) Sentinel, June 17, 1987]

CURBS ARE NEEDED ON CAMPAIGN COSTS

It's about time.

For the first time in a decade, Congress is taking a hard look at an issue close to every one of its members—the high cost of getting elected.

Campaign expenses have risen astronomically. In 1976, the average cost of a successful Senate campaign was \$610,000. Last year's average for winners was \$3 million.

Or consider California, where Democratic Sen. Alan Cranston spent more than \$8.5 million last year to defeat a \$8.9 million challenge from Republican Ed Zschau. More than \$17 million spent for a job that pays \$89,500 a year.

Congressional reformers, led by Senate Democrats, are doing more than criticizing the amounts being spent. They are also targeting political action committees—PACs—the fastest rising sources of campaign money.

PACs are booming. In 1976 they gave \$5.4 million to Senate candidates. Last year, the total reached \$45.7 million. Fourteen of the 34 senators elected last year got more than \$1 million each from PACs. More than 200 House members get at least half their election funds from them.

Legislation now stalled by a Republican filibuster in the Senate proposes PAC limits that would have cut the special-interest money going to winning 1986 Senate candidates from \$28.9 million to \$10.2 million, according to Common Cause, a citizens lobby that has been prodding Congress to change the system.

Democratic Sen. Robert Byrd of West Virginia, the Senate Majority Leader, brought the campaign finance bill to the floor earlier this month. He has shown no signs of withdrawing it despite a filibuster that has stopped most other business.

Even if the bill should eventually become law, participation by candidates would be voluntary to get around a Supreme Court decision that says mandatory spending limits violate constitutional free-speech rights.

Under the Democratic plan, a candidate could get up to 40 percent of general election expenses paid from the Treasury by agreeing to limit PAC receipts and restrict spending to \$950,000 from \$5.5 million, depending on a state's population.

Something needs to be done to curb campaign spending. PACs are largely responsible for the skyrocketing costs of getting elected, so it makes sense to limit contributions from those special-interest groups.

The Democratic plan represents a step in the right direction. It would at least provide

an incentive for candidates to put less emphasis on PACs, and that would eventually make PACs less powerful.

[From the Lincoln (IL) Courier, June 3, 1987]

CONGRESS PONDERES ITS OWN FILTHY LUCRE

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are cosponsors of legislation to curb political action committees and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime this month. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Little (AR) Rock Gazette, June 18, 1987]

MUTING THE VOICE OF MONEY

Nearly everyone there acknowledges that money has gotten the upper hand in the United States Senate. The average cost of a winning Senate campaign in 1986 raced to

\$3.1 million, an increase of more than 400 per cent in 10 years, and though every candidate is relieved to have it no one is proud of how he raises it.

Public opinion accounts for part of this nervous consensus in the Senate. Americans believe that special interests buy far too much power over public policy by campaign gifts and honoraria to senators and congressmen. Voters have ample opportunity to measure it. Anyone in Central Arkansas wondering how Congressman Tommy Robinson will vote, for example, must only look at his political action gifts. (But we get ahead of ourselves here: the House of Representatives doesn't feel moved on campaign finance yet because all its members are counting next year on the advantages the system offers them.)

But the consensus in the Senate doesn't embrace a solution. Both parties fear the other might get some advantage from a law controlling campaign spending and giving. If the Senate votes, it will approve a bill by Senator David Boren of Oklahoma, but Republicans have twice blocked a vote by defeating cloture of a filibuster.

Boren's bill would limit contributions from political action committees and install voluntary public financing of Senate campaigns. Taxpayers could designate a \$1 checkoff on their income tax returns. To qualify for public funds, candidates would have to accept ceilings on their private fund-raising and on PAC gifts. The PAC ceiling for a candidate in Arkansas would be \$190,950.

Republicans aren't so protective of PAC money as they are worried about the overall spending limitations. The GOP generally raises a lot more money for its candidates. Republicans support a bill by Senators Bob Packwood of Oregon and Mitch McConnell of Kentucky that would prohibit direct PAC contributions to candidates altogether. But the rub is that PACs would give to party organizations, which would funnel unlimited sums to candidates. The Republican bill would continue and expand the practice of "bundling," which the Boren bill would prohibit.

Arkansas voters saw the effects of bundling last year. The Republican Party bundled \$125,000 in contributions from outside Arkansas to the Senate campaign of Asa Hutchinson, who was running against Senator Dale Bumpers. When Gazette reporters telephoned a few of the donors, they had never heard of Hutchinson or even been aware of the race in Arkansas.

If the Senate approves the Boren bill, it will be one of its more unselfish acts. Its principal effect will not be to help Democrats, but challengers, who must run against a tide of money. Indeed, Democrats might be the Boren bill's instant casualties because more of them will face re-election in 1988 and 1990. Such ironies have been the history of efforts to reform campaign finance. The explosion of corporate PACs followed a law to protect union PACs.

But the greater beneficiary would be the public interest, which is served whenever the influence of overpowering money is curtailed.

The Reagan administration opposes the Boren bill, and the president will surely veto it if it somehow passes in its present form—a setback most of the Senate, especially the 33 members facing re-election in 1988, no doubt would take philosophically. But the people shouldn't.

[From The Lock Haven (PA), Express, June 15, 1987]

POWERFUL PAC-MEN

Political action committee contributions to Pennsylvania congressional candidates rose to an all-time high \$7.5 million in 1986, a lobbying group says.

Common Cause, which supports changes in the federal laws governing campaign contributions, said the increase in PAC contributions paralleled a record \$21.3 million in overall campaign spending in 1986.

Almost 30 percent—or \$2.1 million—of PAC funds funnelled to Pennsylvania went to the Senate campaigns of victorious incumbent Republican Arlen Specter and Democrat Bob Edgar.

Specter received \$1.26 million, or 23 percent of the \$5.4 million raised by his campaign, from PACs, according to statistics provided by Common Cause.

Edgar, a former Philadelphia-area congressman, received \$814,254, or 21 percent of his total campaign till, from PACs, Common cause said.

In 1982, Sen. John Heinz, R-Pa., and his Democratic opponent, Cyril Wecht, received \$644,512 in PAC contributions, Common Cause said.

Democratic Rep. William H. Gray III of Philadelphia, the powerful chairman of the Budget Committee, received the most money from PACs among House candidates, with contributions totalling \$459,048.

At the other end of the spending spectrum, Rep. William Gooding, R-Jacobus, took no money from PACs in 1986. He is among the handful in Congress who will not accept special interest contributions.

Among area candidates, Cong. Joe McDade accepted \$203,665 in PAC money, George Gekas \$50,014, Bill Clinger \$286,980.

The big PAC man? Clinger's unsuccessful challenger Bill Wachob with \$320,804.

"The spiralling cost of congressional campaigns combined with the millions of dollars in special interest PAC contributions that flood candidates' coffers, in Pennsylvania and nationwide, vividly underscores the urgent need to reform the way congressional campaigns are financed," Common Cause President Fred Wertheimer said.

The group supports a Senate bill that would establish partial public funding for Senate campaigns and limit PAC contributions and overall campaign spending.

The measure was endorsed by the Rules Committee in April. Debate on the measure by the Senate began last week.

"The campaign financing system is a national scandal which threatens the very integrity of Congress," Wertheimer said. "Senator Specter and Senator Heinz have a historic opportunity to support the fundamental reforms this process so desperately needs."

The senators should do all they can to be a part of that reform.

[From the Lodi (CA) News-Sentinel, June 10, 1987]

CONGRESSMEN PONDER THEIR OWN "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime this month. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Long Island (NY) Newsday, July 7, 1987]

WHY NOT VOLUNTARY CAMPAIGN SPENDING LIMITS

Congressional reformers may have found an acceptable way to limit campaign spending at last: Make the limit voluntary—but make the alternative very unpleasant for those who don't go along. It worked with "Voluntary" quotas on cars from Japan (the alternative would have been mandatory quotas), and it's worth a try to reduce the obscene amounts now spent on congressional races.

When Congress provided for partial public financing of presidential campaigns 13 years ago, it also put mandatory ceilings on spending by House and Senate candidates. Two years later the Supreme Court found those limits unconstitutional, but it had no problem with voluntary restrictions.

Ever since, reformers have searched in vain for a way to induce candidates to hold down their expenditures voluntarily. And

ever since, campaign costs have soared, political action committees have proliferated and fund raising has become such an onerous and time-consuming chore that many members of Congress have started to have second thoughts about the system. Now a majority of the Senate seems to favor an overhaul.

But that largely Democratic majority has been stymied by a largely Republican minority, which has filibustered successfully against a campaign reform bill sponsored by Sens. David Boren (D-Okla.) and Robert Byrd (D-W.Va.). It originally featured strict spending and contribution limits coupled with public financing for congressional candidates, along the lines of the presidential system.

Opponents objected chiefly to the cost but also to limiting spending and making taxpayers fund political campaigns. This proposal should put the cost argument to rest. Instead of providing substantial public funds to those who agree to abide by spending limits, it would use public funding only as a form of insurance. Candidates would be eligible only if their opponents exceeded the limit set for that race; the amount would be equal to that opponents' excess.

Public funds would also be allocated to match negative attacks mounted by independent forces—a provision that might prove difficult to enforce. Even so, this proposal makes it difficult to oppose spending limits out of concern for the public purse.

On the contrary, concern for the public interest argues strongly for reining in runaway campaign costs and the growing influence of political action committees. The minority should quit filibustering and allow a vote on this proposal's considerable merit. Who knows? It might even become a model for states and municipalities as well.

[From the Louisville (KY) Courier-Journal, July 15, 1987]

LIMITING POLITICAL BUCKS

U.S. Senators who claim they deplore the abuses of the political money game have refused to support the only effective reform proposal in Congress because it provides public money for U.S. Senate campaigns. A new version puts that complaint to rest, leaving critics with no plausible pretext for continuing the filibuster that has prevented action since early June.

The rewritten bill retains the two essential ingredients of campaign finance reform—a voluntary over-all spending limit for Senate candidates based on each state's population and a ceiling on contributions from special interest political action committees.

Unlike the original version, it does not offer public money to every candidate who raises a specified amount in individual contributions. But a candidate could become eligible for public dollars to offset the advantage of an opponent who refuses to accept the limit. Matching money could also go to candidates who are targets of negative advertising sponsored by independent groups. And Senate hopefuls would have other incentives to participate, including a break on postal and TV ad rates.

The idea is to encourage candidates to observe the limits and to deter so-called "independent expenditures," thereby minimizing the use of public money. This approach should satisfy the Supreme Court rule that Congress may set voluntary campaign spending limits if candidates are offered an inducement, such as public money, to

comply. Because of its simplicity and low cost, it could be adopted by the House and even by states.

The limits wouldn't leave candidates bereft. A Kentucky contender could raise \$243,290, or 20 per cent of the spending limit, from PACs. Hoosiers could take in \$321,177 in PAC money and spend five times that amount. That's ample for a respectable race.

Opponents will raise the usual objections. One is that any one PAC contribution is too small a part of a campaign budget to influence a congressman's voting habits. But studies show members of key committees often receive money from many PACs with common legislative interest. Anyone who thinks lawmakers are oblivious to these large sums has his head in the sand.

Another claim is that spending limits would help incumbents. However, 98 per cent of House members were re-elected last year, suggesting that no system could be more protective of incumbents than the present one.

The bottom line is that Congress must finally curb the corrupting influence of special interest money. The compromise answers the opponents' chief complaint. They should quit being obstructionists and allow the issue to come to a vote.

[From the Louisville (KY) Courier-Journal, June 11, 1987]

CAP CAMPAIGN SPENDING

Kentucky's Republican senator, Mitch McConnell, and his colleagues won the first skirmish in the campaign finance reform battle. If they win the war, look for the cost of congressional races to go from scandalous to nauseating.

Before the Senate is a simple proposition. It would set up a system of public financing of Senate campaigns similar to the system that has financed the last three presidential campaigns. Candidates would not have to take the tax money. If they did, though, they would have to abide by ceilings on spending that vary according to the population of the states.

Public financing is the only legal way to limit the role of megabucks in political campaigns, according to the Supreme Court. That is what Senate Democrats want to do and a vote Tuesday showed that a majority of the Senate favors that approach.

Unfortunately, the 52-47 vote on a motion to cut off a Republican-backed filibuster was eight short of the necessary 60. The prospect of prolonged debate set off talk of a compromise. But any change short of public financing would be mere window dressing.

That was shown when Sen. McConnell said that the \$12 million spent by Kentucky's Democratic gubernatorial candidates wasn't "obscene or inappropriate," but just a healthy indication of vigorous political competition. Such big spending "represents participation" in, rather than corruption of, the political process, he argued.

He tossed off his remarks in support of a window-dressing substitute for the Democratic bill that he and Sen. Bob Packwood of Oregon offered. Their measure tries to obscure the issue by attacking political action committee spending. It would forbid PAC contributions to congressional candidates—but the PACs could continue to influence elections by making "independent expenditures" on behalf of candidates, and by donating to state and national political-party committees.

What McConnell-Packwood proposes is to change the mix of funds flowing into congressional campaigns. It would not cap those funds. The cash and checks from PACs and fat cats would still flood campaign headquarters and the cost of running for office—which has more than doubled in the past decade—would continue to skyrocket.

Surely the senators don't want that. They must not settle for cosmetic change.

[From the Lyndhurst (NJ) Commercial Leader-Review, June 18, 1987]

CAMPAIGN SPENDING LIMITS

Campaign finance reform is poised for a breakthrough. On the opening day of the 100th Congress, Sen. David Boren (D-Okla.) and Senate Majority Leader Robert Byrd (D-W. Va.) introduced a comprehensive campaign finance reform bill. The bill, S.2, would set aggregate limits on the amount of political action committee (PAC) money candidates for Congress could receive. It would also create a voluntary system of campaign spending limits and limits on the use of personal wealth, along with partial public financing for senatorial campaigns. Much like the system already in place for presidential public financing, S.2 would provide for financing by the checkoff on individual tax returns. For more on the reform bill.

CC President Fred Wertheimer says the bill "attacks the most dangerous aspects of the current campaign finance system: the obscene and excessive sums candidates are spending to get elected, and their increasing dependence on special interest PACs for funding."

Last year's elections underscored the need for such reforms. Congressional candidates in 1985 spent close to \$400 million, four times the amount spent a decade ago. On the average, winning Senate candidates spent over \$3 million on their election efforts. Between January 1, 1985 and December 31, 1986, Senate candidates received over \$45 million from special interest PACs, a 63 percent increase over PAC giving in the 1984 races.

Pressure for reform, both from within Congress and from the public, is strong. The S.2 bill has 30 cosponsors spanning the political spectrum. As Budget Committee chairman Sen. Lawton Chiles (D-Fla.) has said, "I sense a growing consensus among members of this body that the trend toward more money in campaigns and bigger, richer and more PACs needs to be reversed. . . . I believe the partial public financing of Senate elections . . . is the way to change."

This could well be the year for long-awaited reforms to take shape, says Wertheimer. "With the Senate leadership strongly behind the campaign finance reform effort, this dramatically improves the chances for successful action in 1987 on this historic legislation. We must make an extraordinary effort to take advantage of this extraordinary opportunity."

While the chances appear better than ever for passage of the bill in 1987, the battle will not be easy—particularly with well-funded PACs like those of the American Medical Association and the National Rifle Association expected to lobby intensely against S.2. That's why, ultimately, it will take massive grassroots pressure to get the comprehensive reform package passed.

We must pull out all the stops to get Congress to pass these needed reforms. It is essential for your senators to hear from you. The U.S. Senate needs to know that the

public is fed up with the current system of financing congressional elections.

Write your senators today. If they have not already done so, urge them to go on the record against special interest money and in favor of comprehensive campaign finance reform by signing on as a cosponsor to the Boren-Byrd bill. And if your senators are already cosponsors, thank them for their support and urge them to keep campaign finance reform a top priority in the 100th Congress.

If you have time, please also write to Sen. Robert Dole (R-Kan.), Republican leader of the Senate, who is expected to play a key role in this fight. Tell him how essential it is to the country to clean up congressional campaign financing and ask him to support and cosponsor S.2.

Mail your letter in care of your senators' names to: U.S. Senate, Washington, D.C. 20510.

[From the Marion (OH) Star, July 5, 1987]

LET'S SLAY IT

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget of trade strategy. It is money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans do not necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some

form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the high court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Marion (OH) Star, June 5, 1987]
GET THEM

Money is on the mind of Congress these days—money scandals, to be specific.

Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of inside trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races; it also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-1988 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it is reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to

invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Medford (OR) Mail Tribune,
July 9, 1987]

LIMITS ARE NEEDED

Members of the U.S. Senate will try again later this week to end a filibuster that has blocked a campaign spending reform bill since early June. If they fail, the price of winning a Senate seat will continue to increase at an obscene rate and the public's worry that political influence is being bought and sold will become stronger.

Leaders of this latest effort to limit campaign spending and reduce the power of political action committees (PACs) hope that July 1 revisions to the Senatorial Election Campaign Act will win enough votes to end the filibuster. The new proposal would retain key elements of S. 2, the original legislation, that are considered essential to holding down Senate campaign spending that has jumped from \$45 million to \$179 million between 1977 and 1986.

Those essential elements, which are endorsed by the citizens' lobby Common Cause, are: limits on spending, based on a state's population, and a limit on the total amount of PAC contributions that a candidate would be able to accept.

Candidates who abide by the spending limits would become eligible for preferential mailing rates and the lowest available TV rates. They also could receive taxpayer-funded "compensating payments" if their opponent refused to accept the ceiling on expenditures or if a third party spent money to campaign against them.

Common Cause says the presidential campaign spending system created after the Watergate affair proves that reform is possible. In 1972, with no limits, President Richard Nixon spent \$62 million in his re-election effort. In 1984, with limits in effect, President Ronald Reagan spent \$68 million—an increase of \$6 million over 12 years.

By comparison spending in Senate races climbed from \$35.5 million in 1972 to \$137 million in 1984. During roughly the same period, PAC contributions went from \$5 million in 1976 to \$45 million in 1986.

"The question now before the Senate is whether the political will exists to resist partisan pressures and set aside obstructionist tactics, and to act instead in the nation's best interest by enacting effective and comprehensive campaign finance reform," says Common Cause President Fred Wertheimer. "Two hundred years after the framing of our Constitution and establishment of the U.S. Congress, senators cannot tell the American people that the present scandalous campaign finance system is the best they have to offer the country."

Amen to that.—R.A.S.

[From the Milwaukee (WI) Journal, June 10, 1987]

MAYBE A CHANCE TO THWART THE PACS

Since Congress voted in 1974 to provide for public financing of presidential elections, the lawmakers repeatedly have refused to take even a nip of their own good medicine. Most senators and representatives have preferred to get campaign money the old-fashioned way, by accepting donations from special interests.

After all, it's a system that heavily favors the incumbents and discourages challengers. But attitudes on Capitol Hill may be changing a bit for the better, thanks to public dis-

gust with a system that has enabled well-heeled political action committees (PACs) to severely distort the electoral and governmental processes.

The Senate on Tuesday voted 52 to 17 against a Republican-led filibuster that threatens to keep a sensible campaign-reform bill from coming to a vote. The majority was not large enough; it takes 60 votes to limit debate. Nonetheless, it was a slightly encouraging sign, indicating that the bill could pass if the full Senate were allowed to vote on it.

The measure, sponsored by Sen. David Boren (D-Okla.) and Majority Leader Robert Byrd (D-W.Va.), would provide partial public financing for senatorial candidates if they agreed to abide by prescribed limits on total campaign spending and on total donations accepted from PACs.

A similar system in Wisconsin, covering legislative and statewide offices, has been widely accepted by politicians and has had generally beneficial effects. It has restrained both the total amount of political spending and the influence of PACs.

The Wisconsin system would work even better if it included a provision, as the Senate bill does, to prevent the evasion of PAC contribution limits through a trick known as bundling. (PACs are now allowed to round up checks for a candidate and give them as a bundle without counting them against PAC limits.)

Of course, even if the Senate bill is eventually approved, obstacles will remain. The House has yet to act on the issue, and the possibility of a presidential veto must be considered. But supporters of campaign-finance reform say the chances for enacting at least partial public funding of congressional elections are better than they have been in many years.

Even some senators who oppose the concept are paying lip service to reform. For instance, Sen. Bob Packwood (R-Ore.), leader of the filibuster, has proposed that political action committees be forbidden to make direct contributions to candidates. But Packwood leaves a loophole large enough to accommodate a herd of elephants: PACs would be allowed to channel their gifts through the political parties.

Regrettably, he and some other prominent Republicans have resorted to outright demagoguery on the issue of public financing. Packwood says the public-finance feature of the Boren-Byrd bill would "pick the taxpayers pocket," even though the cost is estimated at only about 50 cents a year per taxpayer.

That's a mighty reasonable price to pay for a finance system that will help take the government back from the PACs.

[From the New Bern (NC) Sun Journal,
July 7, 1987]

PAC MONSTER IS TARGET OF REFORM

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public

funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1968, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusters need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the New Brunswick (NJ) Central New Jersey Home News, June 9, 1987]
THE ISSUE THAT WON'T DIE

Sometime today the Senate is expected to vote on a cloture petition to cut off debate on a sweeping campaign finance reform proposal. The bill's principal author, Oklahoma Sen. David Boren, doesn't think the necessary 60 votes are there to stop what threatens to become a summer-long filibuster aimed at stalling the Democratic-sponsored legislation. But as a tactical move, the cloture vote may move some senators to the negotiating table where a compromise reform bill can be drafted.

Campaign finance reform is the issue that won't die, but the Senate is torn by uneasiness about Boren's tough proposal—it would establish a public financing system and set overall spending limits as well as limits on the total amount of political action committee money Senate candidates could accept—and a desire to look good on the issue of runaway campaign spending and ballooning PAC contributions. Last week, in a move

widely interpreted as an attempt to protect Republicans from being labeled anti-reform, two GOP senators introduced their own version of a campaign finance bill, which was promptly denounced by the citizens' lobby Common Cause as a "charade" that "should be rejected out of hand."

The Boren bill is not perfect. But it is a real attempt to right a campaign finance system that is out of control. The Senate can play games with filibusters and weak substitute proposals, but only real reform will address the problem of campaigns that cost too much—and the PAC money that pays for them.

[From the New London (CT) Day, June 23, 1987]

BLOCKING REFORM—THEY CAN ALWAYS FIND A GOOD EXCUSE

At least Minority Leader Robert Dole is honest about it. He won't let a bill aimed at reforming campaign financing through the Senate because it would hurt Republican political chances in some parts of the country where the GOP hopes to increase its effectiveness.

The result is that S. 2, a much-needed limitation on contributions from Political Action Committees, is stalled by a filibuster. "... Putting on a campaign-expenditure limit is, in effect, putting a brake on our growth in certain parts of this country. It may not be intended, but that is going to be the result," says Sen. Dole in explaining the filibuster.

This is raw politics, nothing more. There always will be compelling reasons for those candidates who can raise the most funds to want to raise as much as their contributors will give. Sen. Dole's fondness for unfettered campaign financing has as much appeal in areas where the GOP already is strong and merely wants to hold onto seats as it does where the party needs more support. It just happens that at this juncture, the Republicans are able to raise much more money than the Democrats, and that's why Sen. Dole disparages reform.

With such thinking, no reform would ever arrive, and campaign financing abuses would get worse and worse.

S. 2, whose principal sponsor is Sen. David Boren of Oklahoma, provides limits of \$190,950 to \$825,000 in Senate races, depending upon the size of the state. The measure also sets limits of \$950,000 to \$5.5 million for general and primary elections combined.

Candidates who wanted to accept public financing contributions from the government would have to agree to limit PAC contributions under the proposed legislation.

In the past decade, PAC contributions to Senate races have increased by nine times. The numbers show clearly how PAC money plays an increasing role in helping candidates run and win elections. Putting congressmen and senators in the position of having to beg for money from special-interest groups in order to match the spending of the competition denigrates the office and opens up the potential for buying votes.

The only way to reform that situation is to put in place absolute dollar limits on PAC contributions.

Senate bill 2 is not designed to help Democrats or Republicans, but to assist the free election process that makes America work. Sen. Dole, get out of the aisle and stop blocking this good legislation.

[From the New London (CT) Day, May 27, 1987]

CAMPAIGNS—LIMIT SPECIAL INTERESTS

There's nothing complicated about the effort to reduce the influence of the money peddlers who now try to shape legislation by filling congressional pockets. Either there will be a limit on the donations of PACs to individual candidates or there will not. Without question, there should be limits.

Political Action Committees were intended to get control of unbridled campaign contributions, the likes of which came to their most egregious public display in the revelations about Richard M. Nixon's fund raising prior to his re-election in 1972. Mr. Nixon spend \$62 million for his primary and general election campaigns, some \$6 million less than President Reagan spent in 1984. But given the adjustments for the Consumer Price Index, Mr. Nixon's expenditures would have been \$153.9 million in 1984 if it were not for the campaign limitations and public financing already in existence.

Now the reformer no longer is chaste. PACs continue to be misused and abused to unduly influence the outcome of elections. Special interests increasingly are buying candidates with the not-so-subtle subversion of ready cash whenever a candidate needs it. The overwhelming percentage of the contributions go to incumbents, rather than challengers.

S. 2, a bill favorably reported out by the Senate Rules Committee would put a limit on such shenanigans. Some 49 senators currently favor the bill, but when the final vote is taken, arms weary from twisting may not go up in support of this much-needed continuation along the path of election reform.

The measure would set spending limits of \$950,000 to \$5.5 million, depending upon size of the election district. The limits apply to general and primary elections combined. Candidates who wanted to accept public financing contributions from the government would have to agree to limit PAC contributions.

In Senate campaigns, the limit would be \$190,950 for PAC donations in the smallest states to \$825,000 in the largest. Under these rules, the PAC donations of candidates such as Kansas' Robert Dole, the Senate minority leader, would have been just \$190,950 instead of the more than \$1 million in contributions he received from PACs.

Common Cause, the citizen's lobbying group that does so effective a job of making public the many campaign contribution abuses, is leaning hard on Sen. Dole to support the reform legislation. As a presidential candidate who may need to raise huge amounts of money, the senator obviously has some interest in protecting the status quo.

The influential support of Sen. Dole easily would push this much-needed campaign reform legislation over the top. Such statesmanship is necessary to curtail the ever growing abuses of PACs.

[From the New York Times, June 19, 1987]

THE REPUBLICANS' BIG-BUCKS FILIBUSTER

They don't filibuster in the Senate the way they used to in the days when Wayne Morse or Sam Ervin would strap on a tube and bag called The Motorman's Friend and then go out on the floor and orate for 22 hours without a break. Still, even lacking such individual heroics, Senate Republicans seem determined to prove their filibustering skills. For two weeks, they've blocked a bill

that would clean up the present system of campaign finance. The filibuster will go on, unless some sensible Republicans recognize how obstructionist their party looks on this issue, and is.

To run for Congress these days costs amazing amounts. In 1976, Senate campaigns cost a total of \$38 million; in 1986, \$179 million. One reason for such increases is technology. Television costs more than handbills, direct mail costs more than door-to-door volunteers. But there's another reason: There's more money to be had.

Some comes from rich candidates. Senator Daniel Patrick Moynihan is alarmed by a "trend to megacampaigns, vast fortunes clashing one with the other." More money also comes from the profusion of special interest political action committees. With more and more money to solicit, the spending war spirals ever upward.

Conscientious candidates hate the escalation. "I do not think a candidate for the U.S. Senate should have to sit in a motel room in Goldendale, Wash., at 6 in the morning and spend three hours on the phone talking to political action committees," says Senator Brock Adams, a Washington Democrat. The public ought to hate the escalation, too. When legislators depend so much on contributions, they leave ugly questions about their votes on issues affecting big contributors.

The obvious remedy is to enact a lid on campaign spending, based on population or other local variables. Obvious but impossible; the Supreme Court says Congress can't limit spending unless it puts up public funds for campaigns.

Senate Democrats are willing. They can muster 53 votes for the Byrd-Boren reform bill to limit PAC contributions and create public finance for Congressional races, as in the Presidential system. That's a majority, but it's still seven votes short of the number needed to stop the Republican filibuster. Some Republicans are concerned, and ought to be. The filibuster makes their party look baldly obstructionist on How Big Bucks Buy Elections.

There may now be some movement. Democrats are willing to cut back sharply their public finance proposals if only Republicans will accept the principle of total campaign spending limits. There's a worthy opening here for negotiations that could end the filibuster and, much more, bring the Big Bucks under control. It's up to the Senate Republicans.

[From Ogden Standard-Examiner, Ogden, UT, July 19, 1987]

TIME TO CAP COSTS OF ELECTION RACES IN SENATE, HOUSE

The U.S. Senate is expected this week to untie the knots that have kept the august body hamstrung over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amounts of money that House and

Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributors to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans have stymied action on Senate Bill 2 because of objections to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

The average Senate reelection campaign now costs \$3 million. To amass that much, an incumbent it has been estimated must raise \$10,000 a week 52 weeks a year every year of his term to build a campaign kitty. And that is obscene.

Consideration of the new proposal and a vote on ending the filibuster on campaign reform is due before week's end. A substitute to the proposal that has caused the Republican heartburn should be acceptable.

It protects candidates against independent expenditures and disclosure of so-called soft money funds and responds to the principal argument of public financing for Senate elections, except where a candidate exceeds the limits on established campaign spending.

It's time for Republicans to bargain. Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping to restore the integrity of our representative form of government.

[From Ogden Standard-Examiner, Ogden, UT, May 31, 1987]

DOMINANCE OF PAC'S IN NATIONAL ELECTIONS MUST BE REDUCED

Political action committees are playing an increasingly bigger role than ever in national elections. PAC contributions accounted for nearly 31 percent of the total 1986 re-

ceipts, compared with nearly 29 percent of 1984's fund-raising.

Fourteen senators elected in 1986 raised more than \$1 million each in political action committees contributions for their Senate campaigns. That more than doubled the number of PAC millionaires in the Senate, from 10 to 24 PAC contributions to all Senate general election candidates in 1985-86 totaled \$45.7 million.

The recipients of such largesse are getting nervous. They realize that congressional campaigns are obscenely expensive, that special interest money invariably comes with strings attached and that addiction to PAC dollars undermines their credibility as representatives of the people.

The high cost of campaigning was a contributing factor in former Utah Gov. Scott Matheson's announcement last week that he would not run for the U.S. Senate in 1988. He said that as a candidate, he would have to spend most of his time seeking campaign contributions instead of studying and speaking out on the important issues of the day. Matheson said a spokesman for incumbent Sen. Orrin Hatch had predicted that \$10 million would be spent on next year's Senate race.

Whether current office-holders are nervous enough to do something is an open question, but recently introduced legislation offers them an opportunity to make a conscious decision not to be beholders to PACs and their vested interests.

Languishing in the Congress is a bill introduced by Senators David Boren, D-Okla., and Senate Majority Leader Robert Byrd, D-W.Va. that would limit the total amount of special interest action committee funds candidates for Congress can accept. It would further establish for Senate general elections limits on total campaign spending together with a voluntary system of partial public financing, besides clamping down on PAC contributions and extending the current system of public financing of presidential elections to the congressional level.

It has more than 30 co-sponsors.

The likelihood of the upward spiral of campaign costs is not apt to end anytime soon without reform such as is embraced in the Boren-Byrd bill.

In 1986, House winners spent an average of \$347,000 to capture their seats. Senate winners average \$3 million. Total spending on TV ads and other campaign costs, including primary and general election disbursements came to \$372 million, up from \$321 million in 1984. Interestingly, Republicans outspent the Democrats for Senate races and the Demos were the big spenders in the House contests.

Under the Boren bill, a candidate could receive public funds for part of his campaign costs if he agreed to a spending limit that would vary from state to state.

The measure also would reduce the size of a PAC's maximum contribution from \$5,000 to \$3,000 per election and limit total PAC gifts to a candidate. Those limits would range from \$175,000 to \$750,000 for Senate candidates, depending on a state's population.

Reform in PAC giving cannot guarantee less-expensive campaigns or campaigns less dependent on special interests. The PAC system itself was supposed to be a reform and special interests groups are wonderfully ingenious at finding loopholes.

Say what you want to about the integrity of individual members of Congress or the lack of a precise correlation between campaign contributions and votes. The potential

for abuse is clear. What we have now is a mess, an intolerable situation of a bought and paid for Congress.

Cost of running for Congress in 1968 increased by 16 percent. The Boren-Byrd measure could be a way out to put the skids on big bucks buying tickets to Capitol Hill.

[From the Orlando Sentinel, Orlando, FL, June 15, 1987]

CHANCE TO BREAK PAC CHAINS

On Tuesday the Senate finally can break its dependency on campaign contributions from the political-action committees of special interests. It can limit how much money PACs can give a Senate candidate—and limit total spending in Senate races.

The status quo cannot continue. Ten years ago no senator had accepted more than \$1 million in PAC contributions. Now two dozen members of that august body have accepted that much from special-interest groups.

That simply makes lawmakers too beholden to bankers, doctors, labor unions and other powerful groups. Another way to gauge the change: In 1976 PAC contributions in Senate races totaled \$5.4 million; last year the total was \$45 million.

Last year's winning candidates for the Senate spent an average of \$3 million; in Florida, Democrat Bob Graham spent twice that to unseat Sen. Paula Hawkins, who spent roughly the same amount. The soaring cost threatens to make politics the province of folks who have personal wealth or wealthy pals. Yet these megabuck races, rather than airing serious issues more fully, revolve around dueling TV spiels.

So Senate Majority Leader Robert Byrd is pushing limits based on each state's population. In Florida, a Senate candidate could spend no more than \$2.8 million on the General Election, with the federal government ready to match smaller contributions dollar-for-dollar after a candidate raised \$650,000 in individual contributions of \$250 or less. A candidate uninterested in the matching money could ignore the spending limit but could accept no more than \$564,307 from PACs no matter what.

The plan also limits House candidates to \$200,000 from PACs in the general election. That's plenty.

It's time for lawmakers to stop quibbling. Congressional committees have held hearings on PACs nearly every year since 1977. There's no perfect plan. Many Republicans, for example, complained that a plan shelved last week would cost \$100 million every two years.

Mr. Byrd's new one would cost less than half that. Compared with the hidden cost of a Congress hypersensitive to special interest agendas, that's a bargain.

[From Times, Ottawa, IL, June 2, 1987]

AS WE SEE IT: CAMPAIGN SPENDING IS OUT OF CONTROL AND CHANGE IS NEEDED

Money is on the mind of Congress these days—money scandals, to be specific.

Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief

among them is Senator Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business.

Byrd and Sen. David Boren, D-Okla., are cosponsors of legislation to curb political action committees or PACs.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed.

It is significant to note that spending has gone up in each of the last five election cycles monitored by the Federal Election Commission, that special interest PAC contributions to House and Senate candidates reached a record of \$130 million in the 1986 election and the 100th Congress is more indebted to special interests than any Congress in the nation's history.

We also have concerns about putting public funds into the campaign treasure chest, but the need for significant change is urgent.

[From the Messenger-Inquirer, Owensboro, (KY), June 19, 1987]

CAMPAIGN FINANCING REFORM LONG OVERDUE

The Senate Election Campaign Act will not change the way the governor's and lieutenant governor's races are financed in Kentucky. But U.S. Sen. Wendell Ford of Owensboro thinks those races demonstrate why it's time for public financing of congressional races. He's right on the money.

Spending for campaigns has gone out of control. In just 10 years spending just for Senate races has increased five-fold, from \$38.1 million in 1976 to \$178.9 million in 1986. Keep in mind that only one-third of all the Senate terms expire each election.

The money it takes to get elected is a problem in two ways. First, it biases the system in favor of wealthy candidates who can loan money to their own campaigns. And that's where the recent Kentucky primary was an instructive example. Winners in both the governor's and lieutenant governor's races for the Democratic primary were millionaire businessmen. Gubernatorial candidates alone spent \$12 million on the race.

Kentucky's other U.S. senator, Republican Mitch McConnell, thinks the spending is just dandy, a healthy sign of vigorous competition. "It represents participation," said McConnell.

Unfortunately, it represents participation by special-interest groups, not the public at large. The contributions of political action committees has grown from \$5.4 million in 1976 to \$45.7 million in 1986, according to Common Cause. And most of the PAC

money goes to incumbents, making competition for the office far from equal.

S. 2 would change that by placing spending limits on campaigns, limiting the use of personal wealth, providing partial public financing and, as a consequence, reduce PAC funding by two-thirds.

Election financing reform is long overdue. And you don't have to leave Kentucky to see why.

[From the Berkshire Eagle, Pittsfield, MA, June 16, 1987]

THE INCUMBENTS CLUB

When a women's rights activist was once asked what single issue was most important to women, her answer was an insightful one: campaign-financing reform. This is not only because the current system of letting special interests pay for such a large share of campaign costs means that legislators are beholden to them and not to the people, but the system also makes it difficult for challengers—female or male—to break into the old-boy network that is the U.S. Congress.

In that sense, campaign-financing reform is the leading issue not just for women but for any number of groups that are concerned about Congress's failure to be responsive to their needs. As long as campaign bills are picked up to such a great extent by business, labor and professional political-action committees, it is their agendas that Congress will get to first, not the agendas of blacks, the elderly or the uninsured.

Next to the special interest, the group that thrives most under the existing system is incumbent lawmakers. As the New York Times pointed out Monday, genuinely competitive races for seats in the House of Representatives are increasingly a thing of the past, although the Senate still does get its share of well-fought contests. In the House, though, a record 98.4 percent of incumbents running last November regained their seats. Nor did they have to run very hard. In both the 1986 and the 1984 elections, less than one-eighth of all contests saw the winner getting less than 55 percent of the vote—a dividing line between a closely fought election and a cakewalk.

The campaign-financing system, The Time article noted, plays a big part in the enormous edge that incumbents have. The practice of the special-interest PACs is to get on the right side of the likely winner, almost regardless of his political views, and in most cases that means they steer their money toward the person who already has the office. Last year, the PACs dished out eight times as much money to House incumbents as to challengers.

A bill that would substantially limit the role of PACs and introduce a measure of public financing of campaigns (as in presidential elections) is now before the Senate. Although the measure has the support of more than a majority of the 100 senators, backers have had trouble getting the 60 votes they need to end a filibuster against it.

In New England and New York, senators who are balking at ending the filibuster include five Republicans: Alphonse D'Amato of New York, Lowell Weicker of Connecticut, William Cohen of Maine and New Hampshire's Gordon Humphrey and Warren Rudman. They are standing in the way of legislation that could affect the way this country is governed far more profoundly than any new laws likely to come out of the Iran-contra hearings.

[From the Berkshire Eagle, Pittsfield, MA,
June 2, 1987]

LET'S BUY CONGRESS BACK

If there were any doubt about the poisonous role that special-interest money plays in Congress, let it just be noted that the biggest-spending lobbying group on Capitol Hill last year was a coalition of electric utilities and coal companies fighting acid-rain legislation. The coalition, by the way, was extremely successful, as another year passed without a meaningful law requiring sharp reductions in the smokestack emissions that cause acid rain.

There is a defense against this kind of spending. The Senate's campaign-financing reform bill would limit the contributions of the special interests' political action committees, put a lid on candidates' expenditures and, at the same time, introduce a degree of public funding. The measure is strongly supported by the citizens' lobbying group, Common Cause, and already has the backing of about 50 of the Senate's 100 members.

This degree of support would seem to assure the bill of fairly clear sailing, but there is a problem. Because the reform proposal is considered such anathema by the special interests and their errand-runners in the Senate, the latter are virtually certain to mount a filibuster against it. To bring that to an end requires not just a 51-vote majority but a vote of 60 senators for cloture.

Even that number would be achievable if senators focused more on the damage that the current system of campaign financing does to the fabric of this country's democracy. In the 1986 election, nearly half of the House of Representatives received 50 percent or more of their campaign funds from PACs. PACs donated a record total of \$130 million to both Senate and House candidates in 1986, a six-fold increase over 1976 when they gave "just" \$22 million.

Proof that PACs' legalized bribes are motivated less by ideology than by a desire to curry favor with incumbents (who are much more likely than challengers to win) can be found in this statistic compiled by Common Cause: In 1986, PACs gave more than \$65 million to House incumbents and just \$8 million to challengers for House seats.

This is a thoroughly unhealthy situation that would best be corrected by switching to a system in which private financing would play an insignificant role and public funds would be the order of the day. Failing that, the Senate's bill is the best bet. The most important action that chamber takes this year will almost certainly be its response—or lack of response—to this legislation.

[From the Daily News, Port Angeles, WA,
Feb. 19, 1987]

PAC-FUNDING OF CONGRESSIONAL CAMPAIGNS NEEDS TO BE LIMITED

Now-retired Sen. Barry Goldwater once observed that "Unlimited campaign spending eats at the heart of the democratic process."

The Arizona Republican tried unsuccessfully to place limits on that spending last year, just before his retirement. Goldwater, with Sen. David Boren, D-Okla., co-sponsored legislation that won a test vote in the Senate but never made it to the floor before adjournment.

The effort is still alive. In the 100th Congress, Boren and Senate Majority Leader Robert Byrd have introduced a newly drafted campaign finance reform measure.

Byrd's sponsorship dramatically improves the chances for passage of campaign spending limits this year. It is the first time in more than a decade that the full weight of the Senate leadership has been behind a campaign reform effort.

The last time was in 1974, when Congress approved spending limits for congressional campaigns and presidential candidates. Two years later, the Supreme Court invalidated the limits in congressional campaigns, ruling that overall spending limits could be established only as part of a voluntary system that includes public financing. Public financing was included for presidential candidates, but not for congressional candidates.

Free of limits, spending in congressional campaigns has soared. In just 10 years, total congressional campaign spending for a general election candidates has increased nearly three times—from \$99 million in 1976 to \$289 million in 1986. Raising money has become the primary consideration for congressional incumbents and challengers alike. And the special interests represented by political action committees (PACs) have become a primary source of campaign money.

Obviously, these special interests are handing out campaign funds with the expectation of special consideration. This practice is as old as politics, but the stakes have changed dramatically with the advent of political action committees. Specifically, the stake needed for a political race has become prohibitive for most challengers. And it has made it virtually impossible for most incumbents to turn away special-interest dollars.

The Byrd-Boren bill would establish a voluntary system that includes public financing and limits the total amount of special-interest political action committee money a congressional candidate could accept. The reform is sorely needed.

Goldwater was right. A political system that gives overwhelming advantage on the basis of fund-raising skills or personal wealth threatens the heart of the democratic process.

[From the Portsmouth (NH) Herald, May
13, 1987]

ELECTION REFORM

The Senatorial Election Campaign Act is pending on the Senate floor. We hope it passes.

Should the legislation pass, candidates for the Senate in New Hampshire would be limited to PAC (Political Action Committee) receipts of \$190,950. Sen. Gordon Humphrey raised a total of \$704,864 from PACs for his 1984 re-election campaign, according to Common Cause/New Hampshire. If the bill had been in effect at that time, Humphrey would have had to forgo \$513,914 in PAC receipts. Sen. Warren Rudman raised only \$5,000 from PACs during his 1986 re-election race.

Rudman, the state's junior senator, has a long-standing policy of accepting funds only from PAC within the state of New Hampshire.

Ironically, Rudman and Humphrey hold important votes in the fight to fend off a filibuster threatened when the bill comes to the floor. Common Cause/New Hampshire has called on the Granite Staters to oppose those efforts.

The legislation limits total PAC funds for each Senate candidate and limits total campaign expenditures and the use of personal wealth in Senate campaigns as part of a par-

tial public finance system. It would establish a system for senatorial campaigns similar to the one that has worked for presidential elections.

The bill is supported by 49 senators and at least one former member of that body, Barry Goldwater, R-Ariz., who says, "Unlimited campaign spending eats at the heart of the democratic process. . . . Our nation is facing a crisis of liberty if we do not control campaign expenditures."

Again, according to Common Cause/New Hampshire, present senators received a total of \$64.3 million in PAC contributions in their most recent elections. Under the provisions of the pending legislation, these senators would have been limited to \$27.2 million from PACs—less than half the total they actually received.

The bill is supported by 65 national organizations, including the American Association of Retired Persons, the International Association of Chiefs of Police and the National Farmers Organization.

Spending in campaigns has long since gotten to the point of ridiculousness and we favor anything which would reduce the amount of money needed to run a competitive campaign because it opens the door to additional, qualified candidates.

"The Senate has the opportunity to end the national scandal caused by the way our congressional campaigns are financed by enacting this historic reform legislation," John Thomas, Common Cause/New Hampshire chairman and National Governing Board member John Thomas has said.

With that in mind, we hope Sen. Humphrey and Sen. Rudman will help choke off a filibuster if it should arise and then support the legislation itself.

[From the Roseburg (OR) News-Review,
May 2, 1987]

CAMPAIGN SPENDING REFORM BADLY NEEDED

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races depending on the population of the state involved, and from \$100,000 to

\$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would affect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Red Bluff (CA) Daily News, May 16, 1987]

MONEY ON THE MIND

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election, and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate any day. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the St. Cloud (MN) Daily Times, May 19, 1987]

SENATORS NEED TO HEAL CAMPAIGN FINANCE ILLNESS

Politicians, like physicians, have trouble healing themselves. Most members of the U.S. Senate know that something has gone terribly wrong with campaign financing, but they cannot seem to administer the legislative cure.

For two weeks now, senators have been trying to come to some terms on a bill that would limit the amount of contributions candidates could accept from political action committees (PACs), establish a voluntary system of spending limits and allow partial public financing for Senate candidates. The bill would help prevent a practice that is becoming a political cancer: the overwhelming influence of PAC contributions in congressional campaigns.

Public debate has been marked by virulent anti-PAC rhetoric, but the bill's merits should be considered in a reasonably cautious light. Following a previous bout of campaign contribution reform in the 1970s, lobbying groups of all kinds and policies began forming separate committees for the distribution of their campaign funds. There is, in itself, nothing intrinsically wrong with such a practice, for PACs are simply a congregation of like-minded individuals who have the right to support whom they please.

The trouble begins, however, when the cost of election campaigns begins to dominate the business of congressional government, and when PAC contributions begin to become the dominant source of congressional campaign funds. That is exactly what has happened, and that is why campaign finance reform is needed now. In the 1976 election, successful Senate candidates spent an average of \$610,000. Last year, winning Senate candidates spent an average of \$3 million. During the same decade, the amount of PAC contributions to Senate candidates has increased markedly, from a total of \$5.4 million in 1976 to \$45.7 million in 1986.

Senators are loath to make changes when it comes to something as personally critical as their own election campaigns, and a Republican filibuster has further slowed progress on the reform bill. But senators are scheduled to vote today on a motion to end debate and take final action. For the sake of their chamber's credibility and the integrity of congressional campaigns, senators first must end the filibuster, and then end the growing reliance of congressional campaigns on special-interest contributions.

[From the St. Louis (MO) Post-Dispatch, July 10, 1987]

LIMIT CAMPAIGN SPENDING

Somehow, the idea of public financing of campaigns is a bitter pill for many to swallow. Why? They have the mistaken idea that so long as campaigns are financed privately, they control who gets their contributions. Dyed-in-the-wool conservatives, for example, don't have to worry about taxpayer money (including their own) going to support some bleeding-heart liberal.

It's an idea as appealing as it is wrong. Under the present system of financing campaigns for the U.S. Senate and House, the public foots the bill, but instead of controlling the outlay, it has hardly any say in the process. When, for example, utilities donate to political action committees set up to help elect members of Congress who will be sympathetic to their cause, that money does not come from their air. When board members of corporations write checks for favored candidates, don't think for a moment that they personally are going to be so much the poorer for having done so. Despite efforts to limit corporate influence or to ensure that donations to PACs come from shareholders' profits, not customers' pockets, the costs of expensive campaigns are borne by everyone.

There's another cost, less calculable but even more significant. And that is in the quality of the product paid for: the elected official. As campaign expenses rise, more and more of the legislator's time and energy are devoted to fund-raising, and less and less to the business of making good laws. As Missourians saw so well in the decision of former Sen. Thomas F. Eagleton to retire rather than run again under ever-worsening conditions, the situation has become so severe that good legislators are being driven from the field.

Third, there's the appearance—if not in fact the reality—of growing numbers of legislators whose actions, including votes, may be influenced disproportionately by the need to raise funds for coming campaigns against potential challengers whose resources may exceed their own.

The Boren-Byrd bill, known as S.2, would address these problems. Costs in general Senate elections would be limited voluntarily. Candidates choosing to exceed those limits would trigger public funding for qualified opponents who agree to live within them, thus reducing candidates' incentive to buy ever greater amounts of broadcast time. In races where both candidates abide by the limits—and where no outside group targets either candidate—no public funds would be spent. Aggregate limits would be set on donations from PACs, while one of the most flagrant circumventions of PAC Limits—a practice known as bundling—would become more difficult. S.2 also required disclosure of "soft money" contributions (indirect support from political parties, PACs and others).

S.2 is not a perfect bill, but it goes further than anything else yet proposed to relieve the burden of soaring campaign costs—a burden that falls heavily on senators, challengers, and voters alike. Missourians should urge Sens. John Danforth and Christopher Bond to support the best solution to date to the unacceptably high costs of campaigning.

[From the St. Louis (MO) Post-Dispatch, May 15, 1987]

CURB PAC POWER IN THE SENATE . . .

In the last decade, campaign spending for seats in the U.S. Senate increased by nearly five times, to the point where in 1986, senatorial candidates spent \$178.9 million on their races. The proportion of that sum contributed by political action committees has multiplied even faster: to \$45.7 million from \$5.4 million.

If the present system of fund-raising is allowed to continue unchecked, the only candidates able to run will be those who are beholden to PACs. The winners, in turn, will be those beholden to the wealthiest PACs. The result is an unhealthy political imbalance in which a politician's sympathies are weighted toward the rich and powerful rather than the down and out.

A bill, S. 2, introduced in the Senate by David Boren and Robert Byrd, would go far toward inhibiting these dangerous tendencies. It would allow Senate candidates to obtain public financing if they agree to limit overall spending and accept a cap on the use of their personal funds in the campaign. S. 2 would also establish a formula for effectively limiting PAC contributions to \$5,000 per PAC per campaign cycle.

S. 2 has won the support of 47 senators, but despite this and the endorsement of a wide-based coalition of national organizations, voting on the bill is being held up by a filibuster. In a conciliatory gesture, Sens. Byrd and Boren have offered to amend the bill to reduce the amount of public funds spent, and another cloture vote is scheduled within a few days.

The Byrd-Boren bill is vital to putting the Senate back on a track attuned to public rather than private interests. The electorate would be well served by senators voting to end the filibuster and then approving S. 2 without further amendments.

[From the St. Petersburg (FL) Times, May 14, 1987]

NOW IS THE TIME

Now is the time, goes the old typist's exercise, for all good men to come to the aid of the party.

Just seven more will do.

A partisan filibuster is under way against the Boren-Byrd campaign reform bill, which would pass if the Senate could vote. There were 52 votes for cloture last week, more than a majority. But it takes 60 to shut off debate. Counting an absent supporter, there are 53 votes to pass the bill. It will take seven more to let democracy work.

The obstacle is the Senate Republican minority, which voted 44 to 2 against cloture. John Chafee of Rhode Island and Robert T. Stafford of Vermont remain the only Senate Republicans willing to combat the corrupting influence of congressional campaign spending. The Boren-Byrd bill, which they cosponsor, would establish partial public financing of Senate campaigns in exchange for voluntary state-by-state spending limits. It would also set overall limits—none now exist—on what candidates for the Senate or the House may accept from political action committees (PACs).

Minority Leader Robert Dole, R-Kans., and other opponents had been arguing that it would be unprincipled to invest the taxpayers' money in campaigns even though that's the only approach by which the Supreme Court will allow spending ceilings and even though Dole himself is asking for public funds for his presidential race. Majority Leader Robert Byrd, D-W.Va., called

the GOP bluff last week. He proposed an amendment to cut by half the public finance component. The Republicans rejected that, too, confessing that they really don't want any spending ceilings at all.

In so saying, they committed their party to an indefensible position. Congressional races cost \$373-million last year—almost four times as much as in 1976—and PACs representing special interests gave a third of it. Most members scarcely attempt any longer to deny that the money obliges them to listen first to their big contributors. The shakedown of lobbyists has become so constant and shameless that lobbyists themselves have formed an organization to support the Boren-Byrd bill.

"Money has become the sour milk of American politics . . ." said a statement by the pro-reform lobbyists. "Like you," they told Congress, "we spend far too much time raising money. And we share your distress at being diverted from the public issues of the day to the pursuit of endless campaign dollars."

Even as America celebrates the bicentennial of the Constitution, the very premise of representative democracy is being subverted by institutionalized bribery. Dole and 43 other Republican senators seem to be saying that's just fine with them. Their only alternative has been to offer amendments purporting to restrict PAC money but which wouldn't do so at all.

"Unlimited campaign spending eats at the heart of the democratic process . . ." former Sen. Barry Goldwater, R-Ariz., has said. "Our nation is facing a crisis of liberty if we do not control campaign expenditures."

Will Goldwater's warning continue to fall on deaf ears among his own Republican colleagues? Or will seven more come forward to join Chafee and Stafford in support of legislation that would resolve the crisis?

Another cloture vote is scheduled this week. The integrity of Congress is at stake. So are the conscience and reputation of the Republican Party.

[From the St. Petersburg (FL) Times, May 7, 1987]

WHAT PRICE HONESTY?

In a recent letter to constituents, Senate Minority Leader Robert Dole, R-Kan., said he opposes public financing of senatorial campaigns. The next day, he applied for public financing for his presidential campaign.

The inconsistency between Dole the senator and Dole the would-be president is one of the fascinating things to watch as the Senate debates what is possibly the most important election reform bill it will see in many years. The bill (S. 2) by Majority Leader Robert Byrd of West Virginia, Sen. David Boren, D-Okla., and a host of cosponsors, would clean up congressional campaigns in three dramatic ways. It would cut back substantially on contributions from political action committees (PACs). It would stop PACs from evading present limits by the so-called "bundling" of checks from individual contributors. Above all, it would subsidize much of the cost of general election campaigns—although in Senate races only—for party nominees who agree at the outset to limit their total spending to amounts determined by the size of their states.

These measures, taken together, compose the only practical antidote for the poisonous influence of big money on congressional

elections, congressional conduct and public confidence in the U.S. government. Since 1976, when the Supreme Court invalidated all campaign spending ceilings that aren't tied to a candidate's acceptance of public funds, congressional campaign spending has soared almost fourfold to \$373-million. PACs, each of which represents a special interest, gave more than \$130-million last year, nearly six times as much as a decade before. Most of the PAC money goes to incumbents as tribute to their influence or as payoffs for their votes, or to buy what a Democratic House fund-raiser once shamelessly described as "access . . . the opportunity to be heard," a right supposedly guaranteed free of charge by the First Amendment.

The Byrd-Boren bill has 49 declared supporters, including both Florida senators, but only two of them are Republicans. Most Senate Republicans, heedless of former Sen. Barry Goldwater's warning that "unlimited campaign spending eats at the heart of the democratic process," oppose the bill. In addition to threatening a filibuster, they are supporting two alternatives, which purport to stand for reform, but they are shams. Neither would limit total spending or genuinely reduce PAC participation. Common Cause, the public affairs lobby, has charged that one of them, an amendment by Sen. Ted Stevens, R-Alaska, would permit PACs in some cases to give even more.

The other Republican proposal, by Sens. Robert Packwood of Oregon and Mitch McConnell of Kentucky, would forbid PACs from contributing directly to any candidate for Congress. But they could contribute indirectly through party campaign committees. It appears they could even earmark the money for a specific candidate, which would result in no reform at all. The PACs could also continue "bundling," the practice of collecting checks from PAC members made out to a specific candidate in order to evade the \$10,000 per candidate limit on the PAC itself.

Packwood's indulgence for "bundling" is understandable in view of his 1986 campaign, in which he raised \$986,517 from PACs and another \$215,000 in bundled checks from a PAC representing insurance interests. The Byrd-Boren bill, had it been in effect last year, would have allowed him to take only \$223,000 from PACs and nothing by way of bundling.

The Republicans say it's wrong to ask the public to pay for political campaigns—but how is it any more wrong than public support for presidential campaigns, which are no longer dominated by special interests? Dole objects that partial public financing for congressional races would "alter the very foundation of our American political system." Yes, indeed. It would turn a corrupt system into an honest one.

According to the Citizens' Research Foundation at the University of Southern California, the taxpayers would pay a maximum of \$87.6-million in 1988 and \$69.3-million in 1990 if all Senate nominees participated. PACs could contribute no more than \$21.5-million next year, barely half as much as they gave in 1986. Total spending—assuming full participation in the public finance plan—would be held to just above this year's level, and less in the next three elections. In the House, where 323 candidates received more than \$100,000 each from PACs last year and 51 topped \$300,000 apiece, a flat limit of \$100,000 per candidate from all PACs would apply.

"How can you govern a nation," lamented the late Charles de Gaulle, "that has 246 different kinds of cheese?" Lucky he was

that he didn't have to try his hand at one that has 4,157 political action committees. America needs a Congress that isn't obliged to answer their telephone calls first, and if it takes \$87-million in public subsidies to insure an honest Senate, no greater bargain could be had.

[From the Salem (NJ) Today's Sunbeam,
July 2, 1987]

LET'S REDUCE PAC POWER

One of the top priorities of Congress should be the reform of campaign financing, which has become a disgrace through its overdependence on political action committees. A bill being debated in the U.S. Senate would impose limits on the total contributions allowed from PACs and provide for public financing of Senate campaigns.

The merits of this legislation are so apparent that it has 44 sponsors. But a small group of senators has promised to filibuster the bill into oblivion. Senate Majority Leader Robert Byrd is leading the effort to stop the talkathons with a petition to limit debate on the issue.

Senator Lloyd Bentsen of Texas, who scrapped his \$10,000-a-head, fat-cat breakfasts under public pressure early this year, is having trouble supporting the public-financing aspects of the legislation.

The estimated \$50 million annual cost of public financing for Senate races would be paid for with a voluntary \$1 tax checkoff. An overwhelming majority of taxpayers already have volunteered to pay the \$1 per year for presidential campaigns.

The current process is far more expensive in terms of valuable time allotted by members of Congress to raising large contributions from special-interest groups, the bad legislation passed at the behest of those groups and the hidden costs those special interests pass on to taxpayers in the form of industry tax breaks and consumer charges. Ultimately, every taxpayer and voter pays for those PAC gifts.

Those who oppose the reform measure should realize they are siding with what Common Cause President Fred Wertheimer calls "a fundamentally corrupt campaign finance system."

Each senator's stand on this issue reflects his concern about the continuing loss of taxpayer influence in the fact of growing PAC power. Voters should remember where each senator stood on this issue at election time.

[From the San Diego (CA) Tribune, June 26, 1987]

TIME TO SLAY CAMPAIGN MONSTER

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact. Since early this month, Senate Minority Leader Robert Dole, R-Kansas, and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees (PACs) in 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the San Diego (CA) Tribune, May 26, 1987]

CONGRESS PONDERES ITS OWN "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific.

Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affairs, and legislation is in the works that would deal with the Wall Street money scandal of insider trading.

But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money.

Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business.

Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the

1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$1909,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would affect the status quo only slightly, it's reassuring that they at least recognize change is needed.

With spending going up in each of the last five election cycles monitored by the Federal Election Commission (FEC), with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime next month. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Sanford (FL) Evening Herald,
July 6, 1987]

CHANCE TO SLAY CAMPAIGN BEAST

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provided public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster

created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Sanford (FL) Evening Herald, June 4, 1987]

CONGRESS MULLS ITS "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending. I21As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of them who view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The

Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would affect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the San Jose (CA) Mercury News, June 26, 1987]

DOLE'S DELAY—SENATE REPUBLICANS MUST END THE FILIBUSTER ON CAMPAIGN FINANCE REFORM

Just as the California election system is corrupt, so is the congressional system. Elections have been taken over by special interests and big money. The time is ripe for remedies.

In California, the Assembly should pass the Lockyer bill and the governor should sign it. Next year, Californians will have a chance to approve the ballot initiative that limits campaign contributions, sets voluntary spending limits and provides for public funding in elections for the state Legislature.

A bill similar to the Lockyer bill is under debate in the U.S. Senate, and is supported by a clear majority. So far, however, S-2 has been held up by a filibuster lead by minority leader Bob Dole, R-Kan. Two weeks ago, 52 senators voted to end the filibuster, eight short of the 60 required for cloture.

Dole's tactics, intended to turn campaign financing reform into a partisan issue, are bad for his party and bad for the nation. The current Senate bill is an intelligent and fair one, which would do for Congressional elections what has already been done for presidential ones—provide a sane cap for spending.

The two Republican senators who supported cloture, John Chafee of Rhode Island and Robert Stafford of Vermont, have defied the party but served the nation. We wish we could say the same of Pete Wilson.

The Republicans' outdated view seems to be that since they are the party of money, why support a bill that limits campaign spending? The bill can only help the Democrats.

False. As President Reagan's two landslide victories show, spending limits and public financing have not hurt Republicans in the presidential race at all.

The same regulations that have brought spending for presidential elections under control should be extended to Congress.

Election figures leave no doubt about the wisdom of campaign financing reform. In 1972, before spending limits, President Nixon spent \$62 million to win the race. In 1984, with limits, President Reagan spent \$68 million to win, a huge decrease with inflation factored in.

Since 1977, when Senate Republicans first filibustered against reform, the average cost

of winning a Senate seat has gone from \$600,000 to over \$3 million.

At the current rate of increase, it will cost \$15 million to run for the Senate sometime in the 1990s, money largely spent by political action committees and interest groups to purchase influence.

Campaign reform's time has come. It has worked for the presidency, is working in those states that are using it and is supported in the polls. For a handful of Republicans to stand in the way of it is short-sighted, parochial politics, doomed sooner or later to fail.

[From the Scranton (PA) Times, June 10, 1987]

TAKE THE DOLLAR OUT OF SENATE—TIME FOR PAC REFORM

A dark joke in the campaign fund-raising business is that contributors get good access to victorious candidates while those who do not contribute merely get good government.

It is a message that political action committees take seriously and one which threatens our democratic tradition as PAC contributions continue to play a larger role in senatorial elections.

PAC contributions to senate candidates totaled \$45.7 million in 1986 and 24 candidates who received more than \$1 million each in PAC funds were elected.

Overall campaign spending has skyrocketed, rising from \$38.1 million in 1976 to 178.9 million in 1986.

PACs support incumbents over challengers at a ratio of about \$6 to \$1, making it virtually impossible for many otherwise viable candidates to compete in high-priced races.

This month, the full Senate will consider a reform bill introduced by Sen. David Boren (D., OK) and Majority Leader Robert Byrd (D. WV).

Based largely on the presidential public financing system, Senate Bill 2 would place a cap on the amount of PAC financing a senatorial candidate could accept and limit the amounts that could be spent on a campaign.

It also would provide public financing to qualified candidates just as presidential candidates receive public funds for their campaigns. The estimated cost to the federal treasury would be about \$50 million each year.

Opponents of the measure contend that taxpayer dollars should not be used for campaign funding.

But \$50 million per year is a small sum for a large investment in democracy, that could go a long way toward limiting the strength of well-financed special-interest groups and restoring basic fairness to the federal election process.

[From the Sioux (IA) Journal, July 4, 1987]

CAMPAIGN REFORM NEEDED

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by

the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections have increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the sending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

[From the Statesville (NC) Record & Landmark, June 10, 1987]

IN OUR OPINION—OWN "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the

1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republicans measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interest than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Sturgis (KY) News, June 3, 1987]

CONGRESS PONDERES FILTHY LUCRE

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are cosponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about \$181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from \$190,950 to \$825,000 in Senate races, depending on the population of the state involved, and from \$100,000 to \$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom

view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record \$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Tallahassee (FL) Democrat, June 16, 1987]

PAC LIMITS—BYRD-BOREN BILL HAS MERIT

Money and politics do not mix well. When they do mix, all too often democracy suffers. Are we so impoverished, are we so narrow in our vision, that we cannot see that a dollar for democracy is an investment that will protect the future of that democracy?—U.S. Senate Majority Leader Robert Byrd.

So far, not enough U.S. senators have been able to see the value of that investment in democracy. Last week, an attempt to end a filibuster blocking action on a campaign reform bill introduced by Byrd and David Boren, D-Okla., fell eight votes short of the required 60. "I have every confidence that we will find a way to create that majority of 60 votes in due time," Byrd declared.

Another vote is expected this week. Wish Byrd luck. Political Action Committees, or PACs, are taking over federal elections, and they are not moving slowly. One thing that makes it so difficult to get those 60 votes is the fact that incumbents are most often favored by the special interest committees. Today's 100 sitting senators got \$64.4 million from PACs during their most-recent elections.

Had the Byrd-Boren bill been law when the ran, that figure would have been slashed by 58 percent, to \$27.3 million. A study by citizen lobby Common Cause showed that the 34 senators elected in 1986 got an average of \$852,043 in PAC contributions; the reform bill would have cut that to \$299,642—a drop of \$552,401 per senator.

Florida Sen. Bob Graham would have had his \$890,338 in PAC money trimmed by \$326,031. The state's senior senator, Lawton Chiles, took no PAC money when he last ran in 1982. Both senators are sponsors of the reform legislation.

Senate PAC contribution limits would vary according to the voting-age population of each state and also would be tied to changes in the Consumer Price Index. Florida's current limit would be \$564,307. House candidates could take up to \$100,000.

In addition to capping PAC contributions, the Byrd-Boren bill would set up a voluntary system of partial public financing coupled with spending limits. Candidates who wanted to avoid the spending limit and

forgo to public matching funds would be free to do so.

There is no justification for a minority of senators to continue to stifle debate on this important piece of legislation. The filibuster should end and discussion of the merits of the bill begin.

It's time for the nation to make that small investment in democracy.

[From the Temple (TX) Daily Telegram,
July 9, 1987]

SLAY THE MONSTER

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PAC's.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PAC's wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the

integrity of our representative form of government.

[From the Torrington (CT) Register
Citizen, June 17, 1987]

THE INCUMBENTS CLUB

When a women's rights activist was once asked what single issue was most important in women, her answer was an insightful one: campaign-financing reform. This is not only because the current system of letting special interests pay for such a large share of campaign costs means that legislators are beholden to them and not to the people, but the system also makes it difficult for challengers—female or male—to break into the old-boy network that is the U.S. Congress.

In that sense, campaign-financing reform is the leading issue not just for women but for any number of groups that are concerned about Congress's failure to be responsive to their needs. As long as campaign bills are picked up to such a great extent by business, labor and professional political-action committees, it is *their* agendas, that Congress will get to first, not the agendas of blacks, the elderly, or the uninsured.

Next to the special interests, the group that thrives most under the existing system is incumbent lawmakers. As The New York Times pointed out Monday, genuinely competitive races for seats in the House of Representatives are increasingly a thing of the past, although the Senate still does get its share of well-fought contests. In the House, though, a record 98.4 percent of incumbents running last November regained their seats. Nor did they have to run very hard. In both the 1986 and the 1984 elections, less than one-eighth of all contests saw the winner getting less than 55 percent of the vote—a dividing line between a closely fought election and a cakewalk.

The campaign-financing system, The Times article noted, plays a big part in the enormous edge that incumbents have. The practice of the special-interest PACs is to get on the right side of the likely winner, almost regardless of his political views, and in most cases that means they steer their money toward the person who already has the office. Last year, the PACs dished out eight times as much money to House incumbents as to challengers.

A bill that would substantially limit the role of PACs and introduce a measure of public financing of campaigns (as in presidential elections) is now before the Senate. Although the measure has the support of more than a majority of the 100 senators, backers have had trouble getting the 60 votes they need to end a filibuster against it.

In New England and New York, senators who are balking at ending the filibuster include five Republicans: Lowell Weicker of Connecticut, Alphonse D'Amato of New York, William Cohen of Maine and New Hampshire's Gordon Humphrey and Warren Rudman. They are standing in the way of legislation that could affect the way this country is governed far more profoundly than any new laws likely to come out of the Iran-contra hearings.

[From the Torrington (CT) Register
Citizen, June 5, 1987]

LET'S BUY CONGRESS BACK

If there were any doubt about the poisonous role that special-interest money plays in Congress, let it just be noted that the biggest-spending lobbying group on Capitol Hill last year was a coalition of electric utilities and coal companies fighting acid-rain

legislation. The coalition, by the way, was extremely successful, as another year passed without a meaningful law requiring sharp reductions in the smokestack emissions that cause acid rain.

There is a defense against this kind of spending. The Senate's campaign-financing reform bill would limit the contributions of the special interest's political action committees, put a lid on candidates' expenditures and, at the same time, introduce a degree of public funding. The measure is strongly supported by the citizens' lobbying group, Common Cause, and already has the backing of about 50 of the Senate's 100 members.

This degree of support would seem to assure the bill of fairly clear sailing, but there is a problem. Because the reform proposal is considered such anathema by the special interests and their errand-runners in the Senate, the latter are virtually certain to mount a filibuster against it. To bring that to an end requires not just a 51-vote majority but a vote of 60 senators for cloture.

Even that number would be achievable if senators focused more on the damage that the current system of campaign financing does to the fabric of this country's democracy. In the 1986 election, nearly half of the House of Representatives received 50 percent or more of their campaign funds from PACs. PACs donated a record total of \$130 million to both Senate and House candidates in 1986, a six-fold increase over 1976 when they gave "just" \$22 million.

Proof that PACs legalized bribes are motivated less by ideology than by a desire to curry favor with incumbents (who are much more likely than challengers to win) can be found in this statistic compiled by Common Cause: In 1986, PACs gave more than \$65 million to House incumbents and just \$8 million to challengers for House seats.

This is a thoroughly unhealthy situation that would best be corrected by switching to a system in which private financing would play an insignificant role and public funds would be the order of the day. Failing that, the Senate's bill is the best bet. The most important action that chamber takes this year will almost certainly be its response—or lack of response—to this legislation.

[From the Towanda (PA) Daily Review,
June 17, 1987]

PAC'S BENEFIT INCUMBENTS TOO OFTEN

A dark joke in the campaign fund-raising business is that contributors get good access to victorious candidates merely get good government.

It is a message that political action committees take seriously and one which threatens our democratic tradition as PAC contributions continue to play a larger role in senatorial elections.

PAC contributions to senate candidates totaled \$45.7 million in 1986 and 24 candidates who received more than \$1 million each in PAC funds were elected.

Overall campaign spending has skyrocketed, rising from \$38.1 million in 1976 to \$178.9 million in 1986.

PACs support incumbents over challengers at a ratio of about \$6 to 1, making it virtually impossible for many otherwise viable candidates to compete in high-priced races.

This month, the full Senate will consider a reform bill introduced by Sen. David Boren (D. OK.) and Majority Leader Robert Byrd (D. WV).

Based largely on the presidential public financing system. Senate Bill 2 would place a cap on the amount of PAC financing a senatorial candidate could accept and limit the amounts that could be spent on a campaign.

It also would provide public financing to qualified candidates, just as presidential candidates receive public funds for their campaigns. The estimated cost to the federal treasury would be about \$50 million each year.

Opponents of the measure contend that taxpayer dollars should not be used for campaign funding.

But \$50 million per year is a small sum for a large investment in democracy, that could go a long way toward limiting the strength of well-financed special-interest groups and restoring basic fairness to the federal election process.

[From the Tucson (AZ) Citizen, June 27, 1987]

WHEN PAC'S TALK, CONGRESS LISTENS

Congress has an expensive habit. It's called re-election, and to feed it senators need \$12,000 a day, House members \$1,200.

With weekends off and two weeks of vacation, that's how much must be raised each day to pay the \$3 million average cost of a Senate campaign, or \$300,000 for a House seat.

And when Congress needs a fix, it turns to PACs. Freshman Sen. Harry Reid, D-Nev., recently told syndicated columnist David Broder he was astonished to discover it took 70 to 80 percent of his time just to raise campaign contributions.

Sen. Brock Adams, D-Wash., puts it this way: "I never imagined how much of my personal time—at least 50 percent—would be spent on fund-raising. Most of the time I was not talking to constituents about contributions; I was talking to professionals who control PACs, and lobbyists who were far removed from the voters of Washington state. I was campaigning for money, not campaigning for votes."

Assume for a minute that all those PAC contributions don't buy votes. Suspend disbelief and imagine that PAC-paid junkets to luxury resorts did not sway key members of the tax-writing committee just before they installed lucrative "transition" loopholes for their generous hosts (below).

Still, says Adams, the fear of cold-turkey PAC withdrawal makes Congress shiver.

"Beyond the illusion of 'vote selling' is the reality that Congress is not making the tough decisions that it should make," Adams wrote in a recent Washington Post column. "Too often we seek the easy answer, the compromise that will offend the least number of contributors. We hate to offend because we know that incumbents can collect money from all sides of an issue if only they hedge."

Campaign finance reform is desperately needed. Because the Supreme Court has ruled that campaign spending can't be limited without something in return, public financing must be an element. That's no excuse to bankroll campaigns with tax dollars. Simply use public financing to even the odds if one candidate obeys limits and his opponent does not.

Such public-paid "methadone treatment" won't be cheap, but it might help cure Congress of its costly addiction to PACs.

[From the Tupelo (MS) Northeast Mississippi Daily Journal, June 16, 1987]

ELECTION REFORM—LOWERING THE COST

A vote is scheduled at 4 p.m. today to stop a filibuster against election reforms proposed in Senate Bill 2. It's time to stop the talk and get on with the business of controlling the skyrocketing costs of congressional campaigns, particularly in the Senate.

The bill's lead sponsor is Mississippi Sen. John Stennis. Stennis, the president pro tem, has put his clout and integrity on the line for campaign expense reform. Still, the battle to get the necessary 60 votes is uphill.

Senate Bill 2 has been incorrectly characterized as a partisan bill. It is not. Campaign expense reform is a bipartisan issue that pits the power and influence of individual votes and small contributors against the clout of special interest dollars.

Stennis correctly has labeled the cost of campaigns and the dramatically increased influence of political action committees as a threat to the integrity of the Senate.

The financial facts of senatorial campaigns during the past 10 years support the concerns of Stennis and many other senators:

Senate general election campaigns cost \$38.1 million in 1976;

Political action committees, the money of special interests, contributed \$27 million to Senate general election candidates in 1984; PAC contributions jumped to \$45 million in 1986;

The average cost of winning a senatorial campaign was \$3 million in 1986; in California the winner spent \$11 million.

Congressional politics, particularly in the Senate, is becoming a possibility only for people with significant personal wealth or access to the riches of PACs.

That's not the way American democracy is supposed to work.

Bitter political battles have been fought to equalize the influence of every elector's vote. The power of special-interest money now threatens to diminish the influence of a single vote and discourage small contributions to political campaigns.

Senate Bill 2 would enact three restrictions that could restore balance and sanity to campaign expenditures:

Senate races would receive partial public financing;

Limits would be placed on PAC contributions;

Voluntary limits would be placed on total campaign expenditures.

The House and Senate were not meant to be delegations representing wealth and special interests.

Senate Bill 2 could reverse the trend toward elitism in Congress.

America needs statesmen rather than political entrepreneurs available to the highest bidder.

[From the Washington Post, July 1, 1987]
U.S. SENATE

The average Senate reelection campaign now costs \$3 million. To amass that much, a senator must raise \$10,000 a week 52 weeks a year every year of his term. Let him miss a week for some reason—could it be the press of legislative business?—and he must raise twice that much the next week, three times as much the week after that. If he represents a large state or fears a strong opponent—or wants to scare such an opponent off—he must also raise more than average. And they do.

The system has become obscene. Its defenders argue that the money now in politics is a sign of vigor, a healthy form of participation. Yes, up to a point—but that health point is past. The ceaseless quest for money absorbs the entire Congress, not only in election years. The National Journal recently compiled the amounts that senators not due to run until 1988 or 1990 had raised in 1985-86. By the end of last year four of the senators likely to run in 1990 had already raised more than \$1 million; one was only \$15,000 away; two more had raised more than \$700,000. What notion of good government is served by that?

The Democrats seek to restore a sense of proportion to this process. They would impose spending limits. The Supreme Court has said that to satisfy the First Amendment, spending limits must be voluntary; as a practical matter that means they must be in return for federal funds. But Republicans object to public financing of congressional campaigns. The Democrats have therefore moved successively to minimize the role of public funds. Their latest proposal is that a candidate could get such financing only if he agreed to abide by the spending limits for his state and his opponent did not. The public money would be only an insurance policy.

It was easy for Republicans to block the Democratic bill when it contained a large measure of public finance; they could stand on principle. Now the issue is much more clearly the limits. Hardliners still resist the bill, on grounds that the Republicans, who are better fund-raisers, would be condemning themselves to permanent minority status. But money isn't what will deliver the Senate to the Republicans; nor, in the long haul, can it be healthy for the Republicans to link themselves to this iron lung.

Two Republicans—Robert Stafford and John Chafee—have joined the Democrats in voting to invoke cloture and move a bill. At least half a dozen others have acknowledged the need for restraint. "There is no doubt that campaign spending is out of hand," said Sen. Pete Domenici at one point in last month's debate. "I would be very happy to see some kind of overall limitation," said Sen. William Roth. "I believe there is no surer way to a complete breakdown of our electoral process than to ignore burgeoning campaign costs," said Sen. Daniel Evans. "It seems to me there have to be some limits," said Minority Leader Bob Dole.

The latest bill is fair; the Republicans should agree to bargain on it. The alternative will soon be to change the name on the place. It fast becomes the U.S. Senate.

[From the Washington Post, June 22, 1987]

TIN CUP CLUB

A full Senate term lasts 2,189 or 2,188 days, depending on leap years. The cost of an average reelection campaign is \$3 million. Allow for a few days off—Sundays, Christmas, their birthdays—and the average senator has to raise \$1,600 a day every working day for six years just to stay in office. That \$100 every waking hour, and if the senator is from a populous state or expects a close fight it may be two, three, even four times that. The emblem of the modern Senate is the tin cup.

Left to itself the problem of raising these enormous sums will only worsen, as it steadily and dramatically has for 10 years now. The cost of office has doubled since the mid-'70s, and is now rising at a rate of 20 percent in each election cycle. John Stennis

is the senior member of the Senate; he has watched the place for 40 years. He is hardly the panting reformer; nor has he, over his career, been particular partisan. Much of his allegiance is to the institution itself. He said on the floor the other day, "the cost of election campaigns and the method of financing them has placed the integrity of the Senate in jeopardy." He is right, and the thoughtful people in both parties know it.

The Democrats, led by Robert Byrd and David Boren, propose to deal with this; they would set spending limits. Because the Supreme Court has said that such limits violate the First Amendment except as a condition for receipt of public funds, the Democrats have also proposed public financing. Because the Republicans, who are better fund-raisers, object that public financing would also, in any number of ways, be unhealthy, the Democrats have moved to reduce its role in their proposal, so that the most it could provide would be 40 percent of a candidate's funds. Now they are said to be ready to reduce it further, to make it only an insurance policy. If you agreed to spending limits and your opponent did also, neither of you would get public money. If you agreed and he did not, you would get public money (according to a formula still to be worked out) only if and to the extent that he exceeded the limit. As before, there would also be a limit on the total any candidate could receive from PACs in an election cycle.

Filibustering Republicans objected to the earlier proposals in part on the grounds that they would put the Senate at the trough. This is a much leaner proposal. The recipient wouldn't trigger the federal funds; his non-abiding opponent would. There is no way to shave the public financing any further and keep the system workable. If a candidate who agrees to the spending limits is not necessarily to be subsidized, he must at least be protected. There are Republicans who say that, while they oppose public financing, they would favor spending limits. This goes about as far as ingenuity can to accommodate them. There are lesser features of the bill that they also dislike, but these are subjects for bargaining. The Democrats are making a fair offer. The Republicans should take it, before the miserable, obsessive race for funds consumes them all.

[From the Watertown (SD) Public Opinion, June 11, 1987]

PRESSLER NEEDS TO SUPPORT S. 2

On Saturday, May 30, we criticized opponents of Senate Bill 2, which is designed to bring comprehensive campaign funding reform to the U.S. Senate. In talking to South Dakota's two U.S. Senators, Senator Daschle is a co-sponsor of this legislation and Senator Pressler said he needed to see some amendments to it before he could lend his support. He said at that time he felt that a proposed substitute amendment coming from Senator Packwood of Oregon would rectify some shortcomings S. 2 had.

Well, S. 2 has now been introduced on the Senate floor as has an amendment by Packwood and Senator McConnell of Kentucky. They say their amendment would eliminate PAC contributions to individual candidates. However, an article in *The Wall Street Journal* said about their proposal, "The move was seen mostly as a tactical ploy to protect Republicans from being branded as anti-reform." We can't say this is a strictly partisan proposal because there are a number of

senators on both sides of the aisle who are mighty beholding to PACs for their past contributions.

The important thing here is that besides being a tactical ploy, this proposed legislation is a charade and would not accomplish its stated purpose.

The McConnell-Packwood bill would instead simply lead to PACs changing their method of providing money to a congressional candidate and in so doing would open the door to PACs providing unlimited sums to a congressional candidate.

The impact that this bill would have on PAC money is perhaps best demonstrated by what occurred in Packwood's 1986 reelection campaign. In that election ALIGNPAC, a PAC representing insurance interests, gave the senator a \$1,000 contribution made out from ALIGNPAC to Senator Packwood. At the same time, ALIGNPAC's also gathered and turned over to the senator \$215,000 in checks made out by ALIGNPAC's members directly to Senator Packwood. This controversial practice, known as "bundling," allowed ALIGNPAC to massively evade the \$5,000 per election PAC contribution limit and to get credit for providing what was the equivalent of a \$215,000 contribution from ALIGNPAC to the senator.

S. 2, the Senatorial Election Campaign Act, would make clear that PACs could not use this kind of "bundling" practice to evade contribution limits. All such contributions arranged for by a PAC would be counted against the PAC's contribution limit which under present law is \$5,000 per election per candidate.

The "Mc-Pack" bill also claims to restrict this kind of bundling practice, but in fact it does nothing of the kind. The so-called "anti-bundling" language in McConnell-Packwood merely says that if a PAC gathers and delivers bundled contributions to a candidate, the checks need to be made out by the individuals directly to the candidate. That is of course, the very practice that ALIGNPAC used to provide \$215,000 to Senator Packwood. Rather than restricting this kind of PAC bundling, McConnell-Packwood legitimizes the practices as a way for PACs to provide money to a candidate.

This amendment, if passed, would "hog house" the present wording of S. 2. This proposal to prohibit "direct" PAC contributions to a candidate, while legitimizing the practice of PACs bundling and delivering unlimited sums to a candidate, will result in all PACs simply mechanically changing their methods of raising money and providing it to a candidate without any limit on the total amount the PAC could provide. McConnell-Packwood will increase, not decrease, the ability of PAC money to unduly influence members of Congress.

The McConnell-Packwood bill is not campaign finance reform and should be rejected out of hand. After all of this, if Senator Pressler is really for reform, we hope he will support that rejection. If he doesn't, then the opposite is obvious. . . .

[From the Westfield (MA) Evening News, July 3, 1987]

SLAY THE MONSTER

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting

on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PAC's.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PAC's wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate Candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster.

[From the Wilkes-Barre (PA) Citizens' Voice, June 9, 1987]

PASS S. 2 TO CUT COSTLY CAMPAIGN

Special-interest Political Action Committees handed over seven and one half million dollars to candidates this year for the Pennsylvania House and Senate.

Candidates Arlen Specter and Bob Edgar alone spent a combined total of almost ten million.

This is too much. It's a waste of money. It's a distortion of the political process.

It's got to be curtailed. It can be. Bill S. 2—a campaign cost cutter—is now before the Senate. Pass it, senators.

[From the Winner (SD) Advocate, June 17, 1987]

CAMPAIGN FINANCING NEEDS CLOSER LOOK

State Senator Tom Daschle is undertaking efforts to reform campaign spending, some-

thing that has needed to be done for quite some time.

Daschle said his recent bid for office cost him over \$3.5 million. "I didn't like the two year-long campaign that money made inevitable," he said recently.

"I didn't like the blizzard of television ads that money paid for.

"I didn't like the negativism that seems to appear on both sides in every big money campaign.

"And I hated having to ask over and over and over again for campaign contributions just to stay even with my opponent," Daschle said.

The senator is certainly not alone with these feelings. Millions of Americans across the country are disgusted with the entire election process, where big bucks are used to influence voter opinion.

The money spent by candidates, in an attempt to get elected or re-elected, has jumped 400 percent in the past decade. Daschle says that many Senate candidates, whose elections don't begin until 1990, are already starting their fund raising.

This preoccupation with elections and fund raising does not benefit the American voter. It is a system out of control. It is estimated that by the 2000 it could cost over \$50 million to run for the Senate from South Dakota. Daschle supports a bill (SB #2) which would change campaign practices.

It would limit the amount of money a candidate may raise and spend in a Senate race. It would reduce the influence of political action committees. And it would tighten controls on so-called "independent expenditures" such as money spent by out-of-state groups to evade the campaign laws and influence the results of both the primary and general election in South Dakota next year.

We support such efforts. Campaign ethics and methods need closer scrutinizing. Here is a good example: Last week this office received a copy of a recent editorial published in the *Argus Leader*. The editorial was written by presidential candidate Jack Kemp and mailed to presumably all state newspapers using the Senator's franking privilege. This meant the candidate could disseminate his opinions at no cost to himself.

Why all the interest from a Senator from the 31st District of New York? Why out of the 'ear blue do we suddenly start receiving his correspondence? The answer is obvious. He is looking for free publicity and is using taxpayers' money to pay for it. This is an abuse we have been critical of before.

Another campaign problem (which grows worse with each election) is with political pornography—that is, the negative advertising we have seen in several past campaigns, including Senator Daschle's. Money has nothing to do with whether this type of advertising appears in the media. It is a method of conducting a campaign that the candidate ultimately controls. Unfortunately, experts are saying that negative campaign advertising is a trend likely to continue in the future.

Daschle believes that now is the time to act on campaign reforms. SB #2 bill is a step in that direction. If you support campaign reform, share your opinions with our elected officials.

[From the Zanesville (OH) Times Recorder, July 6, 1987]

SLAY THE MONSTER

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal

or the budget or trade strategy. It's money—campaign money to be exact.

At issue is Senate Bill 2, a Democratic-sponsored measure that would alter the system of election finance. It would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees or PACs.

In 1988, if the bill were to pass, general-election limits would range from \$950,000 in a low-population state such as Wyoming to nearly \$5.5 million in California.

Senate Republicans don't dispute the need for campaign reform. Minority Leader Robert Dole has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from \$5 million to \$45 million; campaign spending in Senate elections has increased from \$38 million to \$179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that in effect is no compromise. It would cut the maximum amount that any PAC can give to a candidate but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Senate Republicans need to give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

Mr. CRANSTON. Mr. President, before the Senator yields, will he yield to me?

Mr. BYRD. I yield.

Mr. CRANSTON. Mr. President, I join the Senate majority leader in urging that we be permitting to come to grips with the matter of campaign reform. We have been seeking reform for a long time in this session. We have been seeking to get the matter before the Senate and bring matters to a head with votes on matters pertaining to the legislation we have offered.

We have made great efforts to compromise, and much that made the measure most attractive to me and others has been eliminated by some of these compromises. Many aspects of

public financing that I think are vital parts of any reform have been eliminated in an effort to have some give from those who oppose this effort. Thus far, we have not seen any willingness to compromise on a matter that is very important, as the majority leader just noted, to the integrity of the Senate, or to the appearance of the integrity of the Senate.

There is another matter involved, I think, and that is the integrity of the whole democratic system of our Republic. That, too, is at stake.

We have had a situation in our country, historically, where in the first 100 years we had rising participation in our elections, rising from a 3.5-percent turnout of eligible people in the first elections to over 80 percent in the election of 1876, and then it went downward for a variety of reasons, and it has been going down ever since.

One of the latest reasons that has contributed, I believe, to this continuing decline in participation was, first, the invention of television, and then the beginning of its use for campaigning; and, second, as a natural consequence, the need for increasingly large sums of money to buy television time to reach the voters. This has now led to a situation where candidates are told by their advisers, as I was told when I ran last year, that you have to spend over half your time raising money for your campaign, in order to be able to buy television time to reach the mass of voters.

What that leads to is a situation where the candidate spends more and more time campaigning, specifically among those who are able to make major contributions, in order to use that money to reach the rest of the voters. Those voters then are left out of the process. The candidate does not have time to make as many appearances before them as was the case in former days. All they are then involved in, in the process, is to listen to television and to respond to those appeals and to receive direct mail that requests small contributions from people who are not able to make large contributions. This increasing emphasis upon money undermines our system.

We are down to where in the last Presidential election only 50 percent of those voted who might have voted. In the last congressional elections, only 30 percent of those voted who might have voted. In municipal elections in cities, towns, counties, and local districts of one sort or another, it went down to where 12 or 15 percent of the people participate and vote all too often.

I think there is a real threat to democracy implicit in these circumstances. If people do not have a stake, if they are not involved, if they do not participate, if they lose confidence in

the process of democracy, that makes our whole system vulnerable.

Of the 22 major industrial democracies on the face of this planet, we are at the bottom, No. 22, in voter turnout. By comparison, in most European countries, it is 80 percent—in some cases, 90 percent. In the recent elections in India, over 80 percent participated. In the recent elections in the Philippines, over 80 percent participated.

It is a disgrace that in our democracy, the major democracy on the face of the Earth, people are dropping out of the system, and that forebodes danger for the system.

It is a disgrace that in a world where so many have fought and bled and died for the opportunity to vote and to pick their own leaders and to engage in the decisionmaking process of their countries, and are denied that right in many countries, we who have it do not exercise it.

One of the principal reasons it is being exercised less and less is that campaigns cost more and more.

We have to get this matter under control. This issue relates to every other issue we are concerned with, and therefore it is one of the most important issues that can conceivably come before this body.

I am delighted that the majority leader and the Senator from Oklahoma are providing the leadership on this issue. I urge others to join them. I urge those who have concerns about this particular approach, the latest in a long series of efforts to compromise—I wish those who have concerns about the current approach would at least come up with modifications that would make this acceptable, so that we can move this matter forward.

Mr. BOREN. Mr. President, I thank the distinguished assistant majority leader for the comments he has just made; and I thank the distinguished majority leader, whom I am proud to join in offering this piece of legislation, for the eloquent statements he has made earlier.

As they have both indicated, we are dealing here with a matter of fundamental importance to the people of the United States, to the future of this country and to the integrity of our constitutional process.

In our Government authority legitimacy rests upon the consent of the governed. It is, therefore, the election process itself which is the heart and soul of the system. Anything that compromises the basic integrity of that election process, anything which compromises the fairness of that election process access to that election process and equal opportunity for those with ideas about service to this country to run as candidates in that process, endangers the health of the democratic process itself.

(Mr. WIRTH assumed the chair.)

Mr. BOREN. I am pleased that we returned to consideration of S. 2. The majority leader's decision to return to this piece of legislation is a signal that the issue of campaign finance reform is not going to go away. It is going to be here for us to face until we deal with it. We may turn from time to time to other matters on our agenda, other important issues, budgetary issues, issues of Presidential appointments, other matters that are fundamentally also important to the country, but we are going to keep coming back to this issue of campaign finance reform, to this issue of protecting the integrity of the election process itself, until we deal with it, and that is appropriate. This issue must not be allowed to slip off the national agenda until we have done something to solve the problem.

We owe it to the next generation to protect the integrity of the Constitution itself.

That is why I applaud the decision of the majority leader to return our attention to this particular piece of legislation.

This is a new compromise proposal which has been offered. It is offered in the spirit and the hope of trying to form a consensus on both sides of the aisle to deal with this problem.

Democrats do not have a higher responsibility to guard the integrity of the election process than do Republicans. Republicans have no greater responsibility than do Democrats. This is not a partisan political issue. It is an American problem and we must find a way to get together as Americans and solve this problem.

During the June filibuster opponents focused upon public financing as a target of their opposition to this bill. This proposal has now been changed to in essence totally remove mandatory public financing as an aspect of the bill.

I want to just very briefly mention the kind of proposal that is now before us.

As under the original S. 2, there are voluntary spending limits which are adopted. For a candidate to fully participate in the system as set forth, a candidate must at filing time indicate and certify that that candidate will live by the spending limits. This is fundamental. There can be no true campaign finance reform without an agreement to limit overall spending. Candidates with the highest offices of public trust should compete on the basis of ideas, issues, and qualifications, and not on the basis of which candidates can raise the most money, for to have true reform, we must have a limit on the amount of money candidates spend in getting elected.

Congress previously acted to put reins on campaign spending, but in the 1976 landmark case of Buckley versus Valeo the Supreme Court found that

Congress cannot set mandatory spending limits and, second, that if Congress sets voluntary limits it must provide some inducement as the Presidential system does to encourage compliance with the limits.

In this new proposal, we have set up a standard under which those who accept the voluntary spending limits will have to raise those funds from voluntary contributions from the private sector and not from Government funding. In addition to qualify, candidates must agree that while they accept an overall voluntary spending limit they will also raise a threshold amount depending upon the size of the State, 75 percent of which must come from individual contributions within that Senator's home State.

In addition, they will agree to contribute no more than \$20,000 of their own personal funds to their campaign. This again is a provision put in in order to even out the playing field so that those with huge amounts of personal wealth will not be able to have an advantage in the election process.

Finally, the candidates must agree that they will not accept more than approximately 20 percent, under a formula that is set forth, of that voluntary limit from political action committee funds and special interest groups. Instead, they will go to individual contributors, principally, in their home States, to finance their campaigns.

Under the compromise that is now before us, if candidates accept those conditions, they voluntarily agree to hold themselves within reasonable spending limits, if they agree to limitations in terms of spending of their own personal wealth. If they agree to raise a certain portion of their initial funds from in-state contributors, and if they agree to limit the amount of money that they receive from special-interest groups, they will receive certain benefits. First of all, they will qualify for the lowest unit broadcast rate for radio and television. That lowest unit rate is now given to all political candidates without regard to whether they accept spending limits or not. In the future that benefit would only be given to those candidates that accept voluntary limits. In addition those candidates who agree to live within reasonable voluntary limits would receive reduced first-class mail rates, 5½ cents per piece or 2 cents below the third-class mail rate.

This would give them a very significant advantage. This would be paid for by doing away with the present benefit that is given automatically to all political parties to use the bulk mail rate. Under the laws and under court decisions, if this is given to one political party, it is deemed to have to be given to all, including the Communist Party and other fringe groups. Doing

away with that particular advantage will generate more than sufficient funds to offset the cost of giving a beneficial mailing rate to those candidates who accept voluntary spending limits, and so there would be no net cost to the Treasury. In fact, there should be a net gain to the Treasury from these two offsetting proposals.

Nonparticipating candidates, those candidates who will not agree to, in essence, give up their right to try to buy elections, those candidates who will not agree to reasonable spending limits, those candidates would have to carry in all of their advertising, including their direct mail and their broadcast advertising, a disclaimer that this candidate has not agreed to abide by voluntary spending limits. This would put the public on notice that that candidate is still reserving his right to try to decide the election on the basis of who can raise and spend the most money, that that candidate still wants to have the opportunity to buy the election if he or she is not capable of competing. We should compete within the democratic process on the basis of ideas, qualifications and what that candidate wants to do to help his or her country and his or her State through effective representation.

There is a standby proposal that, if a nonparticipating candidate comes within 75 percent of the limit, the candidate must report to the FEC in 5 percent increments of the limit and the participating candidate may begin to raise funds above that limit.

At the point that a nonparticipating candidate exceeds the general election spending limit, the participating candidate, that candidate who accepts the voluntary spending limits, is entitled to a grant equal to 67 percent of the general election limit and is allowed to raise and spend above the limit.

The point at which a nonparticipating candidate spends one-third of the amount of money that would be above the limit—in other words, he spends the entire spending limit plus 33 percent more—the participating candidate is entitled to an additional grant equal to 33 percent of the general election limit.

In other words, funds raised through the voluntary checkoff on the income tax return and deposited in an account to enforce campaign finance reform would only be drawn upon by the participating candidate if the opponent went over the voluntary spending limit.

I believe that will rarely happen. I believe that the people of this country, who are very disturbed by the amount of spending that is going on, who are disturbed because the cost of running for the U.S. Senate has gone from \$600,000 a decade ago to \$3 million in the last election cycle—an enormous rate of increase that will propel us toward a \$15 million price tag on

the average U.S. Senate race if it continues at just the current rate within 12 years—that that alarm is so great that I think there will be strong public pressure, as well there should be, once this process is put in place, to cause candidates to want to abide by voluntary spending limits so that we can return some sanity to the campaign process in terms of the way it is financed.

I believe that that public feeling will be so forcefully expressed—and polls that have been taken all across this country indicate the great alarm that the people of this country have on the increasing amount of campaign spending—that candidates will find that it is to their detriment to try to buy elections, because the people of this country rightfully want that kind of behavior stopped. They want fair competition. They want an open process. They want candidates to compete on the basis of their qualifications.

Therefore, I believe that, once this system is put in place, it is very likely that candidates will begin to abide by the voluntary limits and that there will be no need for any public funds whatsoever to be involved in the process. It will not be the fault of the participating candidate if a single dime of public funds is involved. It will be the fault of the candidate that intentionally breaks the spending barrier.

And so this compromise goes the extra mile in trying to meet the opposition of those who said they were not prepared to vote for cloture to move ahead to vote on this bill, even though, quite clearly, as we debated in the past, a majority of the Members of this Senate favored it. Fifty-three Senators at one time or another went on record in favor of imposing cloture on this bill. But because we want to get above partisan politics, because we want to give due regard to the arguments raised by those on the other side who did not feel prepared to support S. 2 in its original form, we have made this major modification. Where, as previously, the participating candidate who accepted a voluntary spending limit immediately qualified to receive matching funds out of the check-off, public funds, we have now taken that particular provision completely out of the bill.

If, for example, a spending limit in a certain State happens to be \$1 million, that is the voluntary limit, the candidate who accepted that spending limit, that candidate would not get a single penny of public funds. That candidate would have to raise the funds from private contributors.

There certainly is a difference between the way he would raise them under our proposal and the way he now would raise them. He could only get 20 percent from interest groups. He would have to go back home to individual contributors to raise the bal-

ance. This will help restore some semblance of balance within the political system.

We had almost half of the Members elected to Congress last time who received more than half of all their political contributions not from the people back home, not from the people at the grass roots, but by organized interest groups largely headquartered right here in Washington, DC. We are endangering the concept of grassroots democracy as this balance is destroyed.

And so, while we would have voluntary spending limits and while candidates would continue to raise their funds through private contributors, we would see, I think, a healthy balance restored with candidates going back to individual contributors in their home States at the grass roots far more often and in a far larger proportion than they are now receiving their campaign contributions.

So, this bill is one that will bring about meaningful campaign reform. It is a proposal that should strike a responsive chord from those who have been opposing the bill in the past, because we have completely removed public financing as a basis for supporting campaigns. We have provided a bill with no net cost to the taxpayers. In fact, by removing the bulk rate privileges for all political parties automatically, we should have some net gain to the Treasury as a result of this piece of legislation.

What we will do if it is passed and if it is accepted in the spirit of bipartisan compromise, as I hope it will be, is restore the right kind of competition to American politics—competition based upon ideas, competition based upon character, competition based upon qualifications, competition based upon a desire to perform public service. We will no longer have competition based upon which candidate can raise the most money or which candidate is willing to accept the most special interest financing.

We have a chance, Mr. President, to take a giant step forward in preserving the integrity of the election process itself with this new proposal that has been offered, not only by myself and by Senator BYRD, but also by Senator EXON, who expressed his own reservations when S. 2 was first brought to the floor. Time and time again he came to the floor to say that he could not support S. 2 in the original form because he had misgivings about public financing. I understand why he had those misgivings. He sat down with us and worked with us to hammer out this new compromise. He is now giving his enthusiastic support to it.

We are gaining in momentum. We are gaining in support. I hope we now have before us, Mr. President, the

blueprint for an ultimate campaign reform package that can pass the Senate with broad support on both sides of the aisle as we join together as Americans to solve a real American problem.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I want to congratulate Senator BOREN and the majority leader for their efforts in campaign financing reform and I am especially happy that this bill has now been brought up again. We have sat through weeks and weeks of debate on the trade bill, which is very important. We sat through an extended debate on the debt limit and all the variations that flowed from that, and rightfully so.

But I commend the majority leader for now allowing us to return to this important aspect of American politics and American government—campaign reform.

Mr. President, I have listened with interest over the weeks that this bill, S. 2, was debated to my able colleagues from the other party as they donned their armor of self-righteous indignation and mounted their rhetorical warhorses and charged full tilt against the dragon of campaign reform.

Each evening, after they had debated and spoken on the subject, I am sure they returned from the lists, with verbal lances splintered on the evil public finance giants, and shining swords blunted on the frightening spending limit dwarfs. What wonderful tales they must tell the firesides of their Republican castles; tales of valor, full of sound and fury.

"The arguments" I can hear them say, "we raised the good old solid arguments of days of yore, and they did us proud."

For it is the old arguments that my friends across the aisle have used as weapons in their battle to slay fundamental campaign reforms. Listen to what they say, and I am quoting now:

The Constitution does not even mention political party, let alone national parties, nor any delegated power or right of this body to take taxpayers' dollars to subsidize political candidates. Deductions from individual taxpayers or not, the dollars still come from the U.S. Treasury.

Again:

The Constitution does not even mention political party, let alone national parties, nor any delegated power or right of this body to take taxpayers' dollars to subsidize political candidates. Deductions from individual taxpayers or not, the dollars still come from the U.S. Treasury.

Another quote:

As some of my Republican colleagues in the Senate have pointed out this checkoff system represents nothing more and nothing less than a raid on the Federal Treasury by the opposition party which is apparently in desperate need of campaign contributions.

Another quote:

Through the \$1 tax checkoff scheme these minor parties are not likely to ever pass from the scene. With a guarantee of public funding for their causes, they would achieve longevity, perhaps immortality.

Well, the new proposal, Mr. President, before the Senate no longer talks about public financing. It switched. But these arguments about which I have spoken dealt with that issue and I think it is important, before we leave that issue, to talk about the shallowness of those arguments, because those arguments sounded familiar, those quotes that I was given. They are the weapons with which our colleagues opposed to S. 2 in its original form have fought the battle. They are not, however, as I have stated, very new weapons.

In fact, the three quotes I read you came from opponents, on both sides of the aisle, to the 1971 Act which reformed the way in which Presidential campaigns are conducted in this country.

When this debate just developed—you will recall I asked my colleague, the distinguished junior Senator from Kentucky, if he would analogize between S. 2, and the Presidential electoral system. He was reluctant to do so, and with good reason. Not only has the checkoff system worked, but the candidates from his party have availed themselves of its provisions, and even right to this day continue to do so.

My friend from Kentucky hesitated to attack a system which financed the Reagan campaigns in 1980 and 1984, and which presently finances a number of his distinguished friends and colleagues as they struggle to succeed their current party leader as the architect of Republican philosophy and reason.

The system has worked, and yet the attacks made by its opponents in 1971 were precisely the same attacks they are making today. Like the good conservatives they say they are, my friends from the other party have fallen back on the weapons from the good old days, the lance of rhetoric, the dagger of half-truth, the sword of speculation, and the blunt club of fear.

The time has come, and I think this has been portrayed and certainly emphasized today, in the remarks given by Senator BOREN who certainly is the conscience of the Senate on the issue of campaign reform.

Senator BOREN said, in effect: It is time to call a truce. I agree. Public financing is out. Distinguished Senators like the senior Senator from Nebraska have now joined in this effort and is a cosponsor of this amendment.

I think it is time to negotiate an end to this medieval warfare and, instead, move forward into an age of enlightenment and reason. Because if there were ever an area where it is needed, it is in this area of campaign reform

where people running for the U.S. Senate do not have to spend the majority of their time raising money, but they can campaign in the way that the American public thinks that we should campaign, by appearing in cities and towns before groups of men and women interested in bettering our form of government; not in determining how much money can be raised.

I have spoken a number of times on this Senate floor about S. 2, about the need to compromise. Certainly the way has been laid with the speeches made this morning, remarks on this floor, by the majority leader and by the Senator from Oklahoma.

Compromise is something that we must do. I think it necessary that both sides move. We have moved. Perhaps there is more movement that need take place but we have moved decidedly this day. I think we have moved in a reasonable manner. I believe that movement that has been made by the majority leader and the Senator from Oklahoma need to be recognized for what they are, an effort to resolve a complicated issue that certainly is before the American public.

This time now has come for the other party to get off its war horse and act in an equally reasonable and honorable manner.

The American people want this legislation. They want campaign reform. They want an end to the spiraling cost of campaign spending, and the campaigns which begin the day after the last election ended.

My colleagues, the time has come. Let us talk compromise now; so that those who oppose this bill with sword, and mace, and lance, are not trampled under by the votes of the people at the next election, when their weapons of rhetoric will avail them naught against the truth.

I yield the balance of my time.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. SANFORD. Thank you very much, Mr. President. I want to add to the words of my distinguished colleague just completed as well as the comments made by the majority leader and the sponsor of campaign reform; S. 2.

There is a judgment felt widely across the land that far too much money is spent for political campaigns, and the American political system is becoming the worse for it.

This reinforces the public's cynical belief that in the U.S.A. money talks louder than people. Candidates must spend far too much campaign time in fundraising. Excess campaign spending often reaches the absurd and then the obscene. Money can be given to causes much more worthy than the gilding of campaign lilies.

There is a reasonable amount of campaign money that needs to be

spent. It is necessary to communicate a candidate's record and positions. That is the purpose of campaigns. Communication is the heart of campaigns.

I don't know what the reasonable limit is. We can debate that. But one thing certainly is true: the amounts needed are certainly not without limit.

True, as the minority leader suggests, this may not be a burning issue. People are writing fewer letters about this issue than about the Iran/Contra scandal, or the administration's bankrupt and bankrupting agriculture policy. But no political observer doubts that the American public is disgusted and expects us to curtail such excessive spending. The polls show it. The editorials show it.

Excessive spending puts a continuing strain on elected public officials. There are congressional fundraisers in Washington two or three times a week, and often two or three times a night. A senatorial candidate has to stand in line to hold a fundraiser in New York or Los Angeles. Congressional Members must worry about the legislative agenda of this PAC combine or that special interest group. If all that doesn't corrupt decisions, it has the potential to corrupt.

I was not initially able to grasp why so many of our Republican colleagues were so adamant, why they were filibustering to keep the Senate from even voting on campaign spending limits.

They seemed first to pose and posture as if protecting the taxpayer. "The taxpayers don't want to pay for our campaigns," they proclaimed day after day. But that wasn't quite straightforward talk. They know that the money is the equivalent of a voluntary contribution by taxpayers who check their tax forms. The American public understands its right to make voluntary contributions. That argument didn't fly.

Then the distinguished Republican leader told it all. Taking the floor after most of the Republicans had for the fifth time blocked a vote on the bill that would regulate spending, he gave the American public the official straightforward and honest reason for the Republican fear of campaign expense reform.

The Republicans need more money than Democrats in order to win. That is what he said. If they're not permitted to spend more than Democrats, they can never expect to win, they say.

He said the Republicans don't want any, and he said, "not any," limits on campaign expenditures. Fortunately, all Republicans do not agree with him, but the leader has put out the official word.

That comes awfully close to saying that they think they can buy elections. "If we spend enough money, we

can win," they contend, so they want no limits whatsoever.

Now, at last, the issue is clearly joined. The Republicans want and need to use money to win. The Democrats expect to use issues and performance to win.

The Democrats want to stop obscene levels of campaign spending. The Republicans do not.

The American public wants to stop obscene levels of campaign spending. The Republicans do not.

The American public understands, now, that this is the great, clear issue.

Now the distinguished and able Republican leader, Senator DOLE, has said that his Republican colleagues will stand firm on spending all they want to spend so they can win. He especially pleads for the need to outspend Democrats in one-party States.

That plea has to be greeted with a wry smile. What is a one-party State? Kansas? Would the Republicans be satisfied to put a lid on spending in Kansas? Would they permit the Democrats to spend more in Kansas in order to catch up?

The American public does not want to be told that elections will go to the highest bidder. The American public does not want to believe that elections are for sale.

That is the clear dividing line on S. 2, the bill to put reasonable limits on campaign spending.

My distinguished colleague bemoaned the fact that in some States registration of Democrats over Republicans is 2 to 1, 4 to 1, or even more. The question is, why? Well, the Democrats did not reach that advantage anywhere by spending huge sums of money on television spots. They earned the Democratic registration by standing for those issues people believe in. They stand for people and their opportunities in life. That is why more people want to be called Democrats.

If the Republicans want to increase their registration they can better represent the vision that most Americans have for their country. That is better than trying to buy an increase in representation.

Americans do not approve of finding tricky ways to avoid treaties, or of continuing to pile up tremendous new nuclear capabilities, with the risk of blowing us all off the face of the Earth.

Americans do not believe in leaving one-fifth of the children of America in poverty, outside the gates of the American dream.

Americans do not believe in running the public business in secret and in violation of the laws of the land, and lying about it when caught.

Americans do not believe our farmers and industrial workers should be abandoned by some muddleheaded concept of free trade.

The Republicans cannot buy their way out of the mess they have made in the last 7 years—nor should they be able to.

This free land is based on free elections, and we have worked hard over the years to keep our elections clear of manipulation and corruption.

S. 2 is another attempt to cut down on manipulation and corruption.

Excessive campaign spending corrupts. There is no question about it. Excessive TV spots that attack and distort are campaign manipulation—no question about it.

No, Mr. Republican Leader, the people of the United States are not going to put their Senate seats on the auction block.

If the Republicans want to earn the respect and support of Americans, let them earn it the old-fashioned way. Let them work for it by working for the people.

The division on this election reform bill is clear: most Republicans want money to speak. The Democrats want people to speak.

And speak the people will. The political offices of the United States of America are not for sale.

I hope the citizens of the United States will start watching closely this action on the Senate floor. All-out Republican war has been declared.

They are fighting to kill the bill, to strangle it before we can even have a vote on it. Watch them closely. Some Republicans will vote in favor of spending limits. Others will not. Those who think money is more important than people will vote to bury S. 2.

In the final analysis, that is so often the big difference between our two political parties. And nothing would better exemplify that difference than how Members vote on this bill. Money first or people first. The difference is clear.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TO PROHIBIT THE IMPORTATION OF OBJECTS FROM THE R.M.S. "TITANIC"

Mr. BYRD. Mr. President, earlier today an order was entered for a time limitation of 10 minutes on a bill to be introduced by Mr. WEICKER dealing with the importation of objects from the *Titanic*.

According to the order, I was authorized to proceed with the matter after consultation with the distinguished

Republican leader. That consultation has occurred.

I ask unanimous consent, Mr. President, that the distinguished Senator from Connecticut [Mr. WEICKER] be recognized to call up his bill and that the Senate proceed to its immediate consideration once he does so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I believe the bill is at the desk. If so, I ask that it be read.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1581) to prohibit the importation of objects from the RMS Titanic.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read the second time and the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

Mr. WEICKER. Mr. President, I will be very brief in my discussion of this legislation.

The United States and France cooperated in a very successful way several years ago in the discovery of the Royal Mail Ship *Titanic*. The principal scientist in that venture was Dr. Robert Ballard, of the United States. Dr. Ballard, coming from Woods Hole Oceanographic Institute, made the initial discovery, and then proceeded to photograph the wreck and report it to the world.

Now, what was originally a scientific endeavor dedicated to marine research, to unearth the remnants of history, has degenerated into a salvage operation by the French.

I think it is important to point out that the United States, through Dr. Ballard, could have done more than a year ago exactly what the French are now doing. We have the hardware and the knowledge and the will to retrieve artifacts from the *Titanic*. To the credit of this Nation, we have chosen not to do so, leaving it, rather, as a marine memorial. Unfortunately, such was not the case with the French.

Now, I think it important here again to point out that it is not the French Republic that is doing this in the name of the Government of France. The French are contracting out their equipment and their services to commercial ventures located both in the United States and in Great Britain, and perhaps even elsewhere.

It is true that what they do is not illegal. Under international law they have the right to this act of salvage. But it was the hope of this Nation, as expressed in a bill passed by the Senate and the House over 1 year ago and signed into law by the President, that future activity on the *Titanic* would be done in the spirit of international cooperation.

It, in effect, requested of our Department of State that they contact the British and the French to see if guidelines could be set out relative to any salvage of artifacts from the *Titanic* or, indeed, any endeavor relating to the *Titanic*. Our State Department was unsuccessful in that effort, having contacted the French many times during the course of the year—the latest, of course, being recently when facts surfaced relative to this particular salvage operation.

So I think it can be safely stated as a matter of historical record that what started out as a venture in the name of science and history by the United States and France has degenerated into a commercial venture on the part of the French.

Now, as I indicated, there is little that can be done vis-a-vis international law, but I think what we can do is to take one step further the spirit of the initial discovery denying to the French any profit from its commercialization. Therefore, this bill now before the Senate bans the import for the purposes of commercial gain any object from the *Titanic* into the customs territory of the United States.

The bill defines the term "R.M.S. *Titanic*" as the wreck itself or cargo and contents scattered on the ocean floor around it, the so-called debris field, and it calls for termination of the ban when an international agreement to which the United States is a party governing any exploration and salvage of the *Titanic* enters into force.

The bill does not ban import for nonprofit purposes such as an exhibition at the Smithsonian or other educational nonprofit institution. To me this is a well-tempered response to the ill-advised venture of the French.

I again want to express the pride I feel for the scientists of my country in their eschewing the commercial profits which could have been generated from their activity. As one who has been deeply interested in marine research over a long period of time, heretofore French activity has been a positive example to the world, as evidenced by the work of Jacques Cousteau.

I think this, indeed, just completely reverses all the good will that has been gained by Mr. Cousteau, all the knowledge that has been disseminated among the people of the world by Mr. Cousteau and places the French in a very unenviable position of being in the field of commercial ventures, in effect desecrating what U.S. law designated as a maritime memorial.

It is not the desire of the United States to claim this as our own. It is a desire of the United States to see that it is handled properly by international agreements, which can only be arrived at by France, Great Britain, and the United States—indeed, anybody else who cares to join.

The oceans have too few friends in terms of the commitments of various nations around the world. The money we spend on oceans research is far too little. It is only a matter of time before the world is going to have to turn to these oceans for food and fuel. I hope that matters such as the *Titanic* would instill in all of us an urgency to understand the oceans and use that knowledge to explore and to develop their resources in the best possible way. When the Earth does turn to the oceans for its food and its fuel, do not forget it has to be a resource that lasts millions of years rather than just a decade or two to satisfy our most immediate desires.

That is why I again urge international cooperation. As a proud lay member of that community, one who himself has spent days on the bottom of the ocean, I hope that we would use our resources together and not apart and that the end result would be a tribute to science and history and not to a few bucks that can be made in a few short months.

This bill, then, obviously makes it still possible for the plunderers to vend their objects throughout the world, but they will not have as one resource this most bountiful of nations.

Mr. President, I hope the bill will pass.

The PRESIDING OFFICER. All time has expired.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Sec. . (a) Notwithstanding any other provision of law, no object from the R.M.S. *Titanic* may be imported into the customs territory of the United States for the purposes of commercial gain after the date of enactment of this act.

(b) For purposes of this section, the term "R.M.S. *Titanic*" means the shipwrecked vessel R.M.S. *Titanic*, her cargo or other contents, including those items which are scattered on the ocean floor in her vicinity.

(c) The provisions of this section shall terminate upon the entry into force of an international agreement to which the United States is a party governing any exploration and salvage of the R.M.S. *Titanic*.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WEICKER. Mr. President, I thank the distinguished majority leader for his courtesy in allowing me to bring this matter to the attention of the Senate at this time.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Connecticut.

HAPPY BIRTHDAY TO SENATOR STENNIS

Mr. BYRD. Mr. President, I note the presence in the Chamber of Mr. STENNIS.

I call attention to the fact that this is a very important birthday in the life of a highly revered Senator—the distinguished Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS is chairman of the Committee on Appropriations of the Senate. He is also the President pro tempore. This is a happy event in his life—the birthday of our esteemed senior Member of this body, senior from the standpoint of service, a man who has been in the Senate now for many, many years.

I know that my colleagues will join me in extending our best wishes to Mr. STENNIS and in wishing him many happy returns for the day.

I shall try to recall a verse which I think typifies what this man's life and service in this body are to the body, to ourselves, and to the country.

I think we all can see much in the service of Senator STENNIS here to attempt to emulate, much to inspire, much to guide us, much to attract us.

As we look upon the service of this man, we can see a service that is marked by high integrity, by honesty, by strong character, and by devotion to the Senate.

The Senator from Mississippi has been a great leader in this country and a leader in the Senate. He has been on the Committee on Armed Services of the Senate for many years. He has helped to guide us and counsel us with respect to arms control matters and with respect to national defense matters.

We have all gained much from working with JOHN C. STENNIS. He has certainly been an inspiration to me, and I count myself fortunate in having JOHN STENNIS as my friend.

Mr. President—

MY NEIGHBOR'S ROSES

The roses red upon my neighbor's vine
Are owned by him, but they are also mine.
His was the cost, and his the labor, too,
But mine as well as his the joy, their loveliness to view.

They bloom for me and are for me as fair
As for the man who gives them all his care.
Thus I am rich, because a good man grew
A rose-clad vine for all his neighbors' view.
I know from this that others plant for me,
That what they own, my joy may also be.
So why be selfish, when so much that's fine
Is grown for me, upon my Mississippi neighbor's vine.

Mr. STENNIS. Mr. President, I say to the Senator from West Virginia, you warm my heart, you expand my gratitude. I appreciate your kind and

generous words more than I can fully describe.

I appreciate, too, what you have done for our country, what you have done for this body, the U.S. Senate.

I cannot recall the exact date, but I remember when you came here. I remember the first caucus you went to and some of the things you said in that meeting. I said to many then, "He's a comer; he's a comer." I am not a prophet, nor the son of a prophet, but that was one time I hit the nail on the head.

We are all grateful to you and appreciate very much what you mean to this body and to us as individuals, year after year. I hope you will continue to be here for a long while.

I thank you again for your kind words.

SENATORIAL ELECTION CAMPAIGN ACT

The Senate continued with the consideration of S. 2.

Mr. STENNIS. Mr. President, I am here to speak briefly, not more than 10 minutes.

I have listened carefully to the debate and prior debates regarding the important issue of campaign finance reform. I have joined in that debate, and for the third time I feel compelled to come to the floor and speak.

As my colleagues know, I am not given to making speeches just for the fun of it or for the privilege of it. I try to have something to say that might be helpful regarding the problems that surround the office we hold.

I believe that this issue to which my remarks will be addressed, this matter of elections, is so important to constitutional democracy and to the institution of the U.S. Senate that I feel compelled to speak out.

In the past I have spoken only to the need for reforming the current system of campaign finance and to make that reform without delay. But today, Mr. President, I must comment on the substance of these reform proposals and the arguments made against them.

Several years ago, I supported strongly an amendment that would have stricken a provision providing for expenditure of Federal funds, taxpayers' money, in connection with the Presidential campaigns. I did not like the idea and I still do not like the idea, in a sense of fairness, of taking money that someone has earned and paid in taxes and giving it out to another person as a part of his cost of getting elected to office. I do not like that idea standing alone. I think it is unsound.

But the money we are talking about today is not of that category. It relates to graver things than merely paying a fee. I am speaking now to a provision to limit the total amount of expenditures made by Senate candidates in each State. This was, and I believe still

is, the overriding goal of campaign finance reform.

I am gravely concerned at the extent to which we are developing these election campaigns into a kind of a running fundraising contest carried on in innumerable places over the Nation. The people doing the work are good. I do not challenge their purpose. I simply believe that is destroying the spirit and the feel of the local nature of the particular campaign.

The current method of campaign financing is putting local decisions in the hands not of the people who live in the area, in the vicinity, in the State, but it is putting elections in the hands of money from far away. It comes from another State. It comes from another area of the country. It comes from people who live perhaps thousands of miles from that voting precinct. To make just a small contribution as a matter of token support might be all right, on a voluntary, strictly voluntary basis without anything expected in return. That would have no kind of a wrong attitude about it or any suspicion about it. Something like that is nice enough to help a person along, especially if he is a friend. But when it comes to raising millions of dollars from throughout the Nation, contributed by people or companies that do not personally know the candidate; much less know him well enough to have confidence in him or her, or have a faithful judgment of their ability to cope with the known problems that are going to confront them, even before they are sworn in and certainly as long as they are in office; I just do not believe that we can let that practice continue to operate. We cannot continue to operate that way and continue to maintain integrity of our local elections.

We are driving the local people away from elections, because they do not believe in those practices. They do not believe in the possibility of having their local elections taken over by some person or group that they do not know and about the purposes of which they know nothing. It creates a suspicion that these groups are not all good.

I am not trying to berate or run down or raise questions about any individual. I am thinking in terms of a pattern of conduct. The Constitution of the United States says that Members of this body shall be elected by the people, by the people of the respective States. Now we went more than 100 years, during which the legislators from each State elected the Members of this body. But that was changed through a constitutional amendment. I remember just as a boy when it arose at the insistence of the people, because they wanted to exercise that political power themselves at their own voting precincts and in their

own voting places and under their own election managers, rather than to continue to relate it to a faraway city or some other process. Finally a few years ago, we hit on this system of campaign finance that has rapidly deteriorated. I am not accusing anyone of being a crook—what I am saying is this is taking the heart, the soul, the feeling, and the self-respect away from these people who live and vote at these precincts. This system is taking elections far, far away, to wherever this money came from, and it is creating conditions that cannot avoid affecting and changing the election process at the expense of the local people.

That is the substance of my plea.

Now the substance of this amendment here today is an invitation to hold down and circumscribe and directly control the amount of this outside money. There were provisions in here trying to meet this matter with money out of the Treasury, but this latest proposal leaves that language aside and provides that if any candidate spends more than allowed under the terms of this law, then the other side shall be paid out of the Federal Treasury a sum equal to two-thirds of the State expenditure limit.

That will keep the matter cleaner and will tend to reduce campaign spending because the man that has the overrun will be building up a sum of money for his opponent to draw from the Treasury.

(Mr. ADAMS assumed the Chair).

Mr. STENNIS. That is not an invasion of the money that is in the Treasury. This is an effort to keep elections clean, to keep it in the hands of the people who are to be served by these candidates, whichever one is elected, and thereby avoid what has come to be a new problem in elections.

Now I am not suggesting that elections everywhere in every State or every precinct is filled or touched with this evil, this wrong, this pattern that destroys in effect a lot if not all of the purity of the election.

Furthermore, if the spirit and interest is lost by the local people, with whom this right belongs, and I submit it is exclusively theirs, if there is something wrong with them then you kill the spirit of the entire election. We must not let that happen.

There are those who have worked very hard on this issue. And as for those who do not see a need for reform, I do not accuse them of having a bad motive; of course not. It is always a problem to work out a plan for elections. But, if we do not continue until we find a way here through some law that we can agree on we are riding hard for a fall of almost the worst possible kind. I think that those of us who are here now who can see these things that are going on in many places, can interpret what the real

meaning of these developments is. At the same time have the real power here as Members of this body to stop that unfaithful and that questionable method of campaign financing that we have dropped into and, keep these elections clean and unpolluted and not subjected to being taken over by outside interests.

I wish that everyone, everyone in America, every citizen, could have an opportunity of visiting Philadelphia, PA, as was our privilege a few weeks ago when about 40 of the Members of this body and about 100 Members of the House of Representatives, all gathered together at Philadelphia, PA. There we were, escorted around that great city and into the historical buildings. Everything is in its place like it was when the Constitution of the United States was written, where the Declaration of Independence was written, and where all these other things connected particularly with our early history happened.

It was my privilege to be among those that were there and went through these very places I have described. And it was a great thrill to me. They said, "Where do you want to sit? In the chair George Washington sat in when the Constitution was being written, or do you want another chair?"

I said, "Give me Mr. Washington's chair." And I had the privilege of occupying it for at least 30 minutes.

But the thrill comes from the overall satisfaction, satisfaction that there in that very building and in those rooms, in the premises there, that the standards, the standards that has proven so satisfactory to us as a whole and so productive to us as a whole successfully for 200 years. We have taken space that was a wilderness then, except for a relatively small percent of that that constitutes our 50 States now—then we had only 13—and it has grown into more than 260 or 270 million people.

It gives you that feeling of strength, thanksgiving, realization of the possibilities, but it makes you think, too, that we have got to keep elections clean, we have got to keep them on a high level. I do not think there is anything, anything, about our entire system of government that is quite as important as the preservation of high standards and clean standards in our elections and to keep those elections strictly in the hands of the people. They will make some mistakes. They will make some outstanding mistakes, at times. But as a whole, there will be satisfactory products, results obtained and the average service rendered by those elected under this system will be the average for the people. It will have standards of conduct, it will have standards of principles, and the best will work out as a whole for the benefit of the people and the strength of the Nation.

I am not a wise person by any means, but when it comes to observation and experience, I have served 402 people, think of that, by observation and experience, I have some knowledge of the high purposes and the high standard of conduct and the effectiveness of the work of these people over the years in the growth of our Nation.

So there is your proof. And I feel confident—I am not referring to any individual—but I feel confident if we continue to neglect these standards for our elections, our election patterns, if we continue to neglect these, then we are riding for a fall. And if we fall in that department, reform may not come quick enough.

So I hope that we will continue to take this matter quite seriously and in some fashion work out a simple plan that will carry with it the high purposes and the fine production that has brought us these results of the very highest kind.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the Chair.

TIME LIMITATION AGREEMENT—NOMINATION OF ALAN GREENSPAN, OF NEW YORK, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. BYRD. Mr. President, as in executive session, I put the following request which has been cleared through the distinguished Republican leader, and I make the request at this time with his approval.

I ask unanimous consent, Mr. President, as in executive session, that on the nomination of Alan Greenspan to be a member of the Board of Governors of the Federal Reserve System, vice Paul A. Volcker, resigning, there be a time limitation of 30 minutes to be equally divided between and controlled by Mr. DOLE and Mr. PROXMIRE, and that at the conclusion of the 30 minutes, or the yielding back thereof, a vote occur on the nomination of Mr. Greenspan.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, it will be the intention of the leadership to go to the nomination today at about 4:30, or between 4:30 and 5 p.m., and a vote

then would occur roughly 30 minutes thereafter. It will be a rollcall vote. The yeas and nays will be ordered later in the day.

Mr. President, I yield the floor.

SENATORIAL ELECTION CAMPAIGN ACT

Mr. DeCONCINI. Mr. President, I rise to discuss the election reform bill, S. 2.

Some of my colleagues have stood on this floor and advocated abolishing all political action committees. Not only is this not a good idea but, in my judgment, it is a terrible idea.

In supporting S. 2, I support aggregate limits on PAC giving. I support aggregate limits because I believe it brings balance to fundraising. However, abolishing PAC's would deprive many citizens of an opportunity to actively participate in campaigns and would likely not stand a court challenge. If you attempted to do that.

Mr. President, that is not what S. 2 is all about. I think many who have supported an effort to abolish political action committees are using it as a subterfuge because they do not want to have real election reform. They know we are not really going to do that.

We have talked a good deal about the outrageous spending of PAC's and their inordinate influence. But let me point out that all PAC's are not multimillion dollar operations. Many PAC's are small, well-run groups which truly represent their members' views and allow different ideas to be brought and heard, the chance for many voices to participate.

Let me take a few minutes of the Senate's time to tell you about one such PAC in my State of Arizona. The Salt River project is a water and power utility serving central Arizona. Salt River project's PAC is known as PPIC. PPIC had 229 member employees in 1986, 189 of whom made contributions to PPIC. The average contribution was \$120.81 for a total in 1986 of \$22,834.56, to be exact.

So this is not an outrageous PAC that we ought to be targeting to eliminate.

PPIC made contributions to 105 candidates in 1986. Only eight of those contributions were for amounts of \$1,000 or more, and most were for a few hundred dollars.

In addition to funding candidates, PPIC has an active voter education program. They hold candidate forums and provide nonbiased detailed information on Federal and State candidates running for office.

PPIC has set out for itself lengthy and detailed ethical guidelines for the operation of their PAC. Among the guidelines is an assurance of confidentiality for all members so that there can be no pressure to give and no sanc-

tions for not giving to the PAC. The advisory committee which makes the decisions on where to give contributions is made up of members representative of the membership. Importantly, the guidelines go on to assure that PPIC will honor not only the letter of the law but the spirit of the Federal, State, and local election laws as well. Finally, PPIC explicitly states "PPIC contributions will not be contingent on the promise of a vote or action on a specific topic, issue, bill or regulation."

Mr. President, as I believe I have illustrated, PAC's are not inherently evil. They are part of a good, sound, healthy political process. What is evil is the level of PAC giving which we have seen in recent years. By enacting aggregate limits on PAC giving we insure that voices like those of the Salt River project employees are still heard, in an effort to join together in what I think is a positive approach.

Let me add, Mr. President, there are many other such political action committees. Political action committees were not instituted primarily or initially to simply raise a bunch of bucks to try to influence Members or candidates on how they might vote on issues. They were put together many years ago by labor and environmental groups. They were put together to educate their members as well as raise money.

Some may scoff at that, saying, "Senator, do not tell me that the AFL-CIO PAC was put together to educate their members, or the environmental PAC was put together to educate their members, or the Salt River PPIC to educate their members. They were not. They were put together to get money to buy influence."

Well, that is not true. One of their main goals is educational. Unfortunately, we have seen many political action committees that have been converted to influence peddling, but still there are many of them, as I have pointed out in this statement, that do other things, that do educate their members, that educate the public by public forums, that print monthly periodicals and other information that is circulated among employees.

What is better than an employee, a registered voter talking to his neighbor or his relatives about some political issues, and that is what the education part is all about. Second, what is better than for that employee to feel that "I make \$20,000 or \$30,000, I can't afford to give \$100 to every legislative candidate that I like. I might like 10 or 12 of them—or to the U.S. Senate nominee or U.S. House nominee—but I can give \$125 to this political action committee which will then put that together with some other contributions and give a contribution to some candidates who I think are honest and are going to do a good job."

That is what political action committees are all about, Mr. President. I think it is unfair to give them a bum rap because some here on this floor oppose S. 2.

HAPPY BIRTHDAY, SENATOR STENNIS

Mr. DeCONCINI. Mr. President, I want to congratulate the senior Senator from Mississippi on his birthday. It is a happy day for him, indeed it is a happy day for all of us. Senator STENNIS was kind to this Senator when I came here some 11 years ago. He had been a colleague and contemporary of Ernest McFarland. Governor McFarland had served in this Senate with the Senator from Mississippi and I know that Senator McFarland called the Senator from Mississippi before I came here, along with his senior colleague, Senator Eastland, and introduced this Senator to them over the phone. I remember going to see the Senator from Mississippi and how he recounted to me the conversation he had with former Senator McFarland and the hospitality and warmth both Senators from Mississippi extended to me when I first came to the Senate.

Senator STENNIS reminds me very much of my father; he was a man of principle, a man who understood the strength of an institution and the importance of an institution. But the Senator also realizes that life changes and that you have to look to the future with the younger Members of this body as Senator STENNIS did for me when I first joined this body.

I wish the Senator a happy birthday and thank him as one Member for always considering the younger generation. Now I have to look to younger generations coming along and share this institution, not only its history, precedents and love that the Senator has for it but also the leadership to consider the direction it should go. It is a tribute that the Senator has served so long in this body and now serves as the able chairman of the Appropriations Committee. If I had a hat on, I would take it off to the Senator and if I could applaud right now, I would applaud. But I wish him God's blessings in prosperity and continued leadership in this body.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. DeCONCINI. I will be glad to yield.

Mr. STENNIS. I thank the Senator very much for his kind and generous words and say, too, that I remember quite well the good impression we had of the Senator when he came to the Senate. But the happiest thought of all is how he has blossomed, risen to a place of high responsibility and has

had an outstanding role to play. I thank the Senator very much.

Mr. BOREN. Mr. President, I join in the comments made by my distinguished friend from Arizona about our good friend, the senior Senator from Mississippi. He has been an inspiration to all of us, and I congratulate him on this special occasion in his life.

It is not unusual that he would be on the floor having come to talk about the matter of great importance to our form of government, our constitutional form of government, being one of those who has encouraged me all along the way in trying to do something about campaign finance reform. He said to me, "I am concerned about what is happening in this institution from my perspective and I am concerned about what will happen to our country if the people who go to that ballot box back in those voting places all across this country lose control of their own government. We are going to have terrible problems."

His concern has been a major factor in altering me to the problem we are trying to deal with in the bill that is before the Senate at the present time. But it is not just in that area of endeavor. It has been in many, many others; that simply by watching the Senator from Mississippi, watching the example and observing the example that he sets for all of us, I have been led to try to do what I thought was right on a number of issues.

We are asked very often, can people serve in public life for a long time and have a great impact and still keep their personal standards of integrity, still have their character intact, still live by the standards of ethics that we would want to see in all those with whom we must work and have dealings.

I do not know that it would be appropriate to refer to the Senator from Mississippi as professor, but he has been a professor who has taught all of us in this Senate about personal integrity, about love for our country, about the courage of conviction, about courtesy, about kindness, about concern for his fellow human beings.

I wish him well and special congratulations on this day and thank him as one of his many pupils for the lessons he has taught this Senator as I know he has taught many, many others.

Mr. STENNIS. Mr. President, if the Senator will yield, I warmly thank my friend for his generous remarks. Along with the rest of the membership and people of this Nation, I am indebted to him for the fine and outstanding work he has done with regard to this knotty problem with which we are dealing. I believe he is going to improve the law in a very meaningful way without being extreme. More power to the Senator. I am going to back him.

Mr. BOREN. Mr. President, I thank the Senator from Mississippi.

Let me say in his coming to the floor again and again, if there are any days I get discouraged and wonder are we going to make it across that line and finally make the kinds of changes that are going to be needed to restore the integrity to the election process again, make sure that the people have control of their own government, elections are decided on issues and qualifications and not on the basis of who can raise and spend the most money, if at any time I am fainthearted or wonder if the fight is worth it, I look around and there is the Senator from Mississippi on the floor with an encouraging word, ready to continue that fight until we ultimately win.

I would say also that the distinguished majority leader would be another one who continues that kind of encouragement and that kind of tenacity. With the Senator from Mississippi and the Senator from West Virginia saying we are going to keep this matter on the national agenda until we finally do something that will help this system and will help this country, I have every confidence we are going to get it done. I thank the Senator from Mississippi for his encouragement.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BOREN. I will be happy to yield to my distinguished leader.

Mr. BYRD. I also thank the Senator from Mississippi, but I think we all have to say Senator BOREN is our leader in this matter. He is the one who has persistently pressed ahead, worked hard on the legislation, knows it up side and down, down side and up, inside and out; it was his idea to begin with, and I continue to look to his leadership and his guidance as we press forward with this matter, and I hope for an ultimate conclusive victory for democracy.

Mr. BOREN. Mr. President, I thank the distinguished leader for his kind words. That is exactly what is at stake, the integrity of the political process, making sure that the people retain control of their own government at the grassroots and that we do not end up putting the highest positions of public trust in this country on the auction block for a decision based upon who can raise the most money. That is not what the people want. That would be a dereliction on our part of our duty to uphold the constitutional process.

We are going to continue and will keep coming back again and again, until we finally forge the agreements that will make it possible to move ahead in this area.

Mr. HEFLIN. Mr. President, I would like to add my voice of praise and commendation to the distinguished Senator from Mississippi, JOHN STENNIS, on this occasion of his birthday.

I remember that about 2 years ago, I, along with a large number of Senators, went to his hometown, De Kalb, MS. There, the people of De Kalb and surrounding areas had gathered to help him celebrate his birthday.

There was a great outpouring of love and affection by friends and neighbors who had known him and his father and others before him, in his hometown. There is nothing like hometown folks who know an individual.

De Kalb is not a big place. It is a small community, a little smaller than the community I live in. Those people are the salt of the Earth. They know an individual for his character and his integrity.

The great outpouring of love and affection that was displayed by his hometown and home area people was evidence of the fact that he stands tall with the people who know him best.

So it is a pleasure to be here today. I have so many things I could say about him that I might be accused of filibustering if I talked a long time.

He and I have much in common. We are from the South. We have backgrounds that go back generation after generation.

I have enjoyed very much the tales he has told us about his early years, how his father would raise cotton and then take it over into Alabama and ship it down to Mobile in those days.

He and I had the privilege of being judges. Not too many Members of the Senate today served on the bench. That gives you a different perspective, and I think a better perspective, of individuals and of human nature.

So I am delighted to participate in this occasion, and I wish you a happy birthday.

I had the pleasure of speaking at that birthday celebration, and I ended my speech with an old Irish prayer, and I would like to see if I can remember it, to wish you well on this birthday. The old Irish prayer goes like this:

May the road rise to meet you.
May the wind always be at your back.
May the sun shine warm on your face
And the rains fall soft on your shoulders,
And may the Good Lord hold you in the
hollow of his hand during the remainder
of your days.

We admire you, we respect you, we love you, Senator JOHN.

Mr. STENNIS. Mr. President, I thank the Senator warmly for his fine words and his generous spirit. I claim that being his neighbor has contributed a lot to me. Knowing the Senator from Alabama gives me great strength.

BICENTENNIAL OF THE CONSTITUTION

Mr. HEFLIN. Mr. President, September 17, 1987, will mark the Bicentennial of the Constitution of the United States. Many will doubtless remember

when we celebrated the 200th anniversary of the Declaration of Independence just over 11 years ago. Well, I believe that the Bicentennial celebration of the Constitution is equally, if not more important. As Senators know, the Constitution is the frame work and blueprint for our government—the oldest government that has been in continual existence anywhere in the world. It combines our individual rights and liberties with a governmental structure unique for this then fledgling Nation, but sufficient to provide order and security to protect those individual rights and liberties.

The upcoming bicentennial offers each of us an opportunity to study, examine, and appreciate the Constitution. Without a working knowledge among the citizens of this Nation of our charter of liberties, our government would soon perish, because ours is a "government of the people, by the people, and for the people." Its functioning and survival depends entirely upon the capacity of all people to understand and to participate in our constitutional system. Our government is, therefore, only as strong as the understanding and will of the people who comprise it. To help promote this understanding, I wish to address the history and fundamental nature of our Nation's Constitution.

By fighting the Revolutionary War in 1776, our forefathers had established America's independence from England. They had proclaimed that "all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness." Undoubtedly, many of you have at some point in your lives been asked to memorize this section of our Declaration of Independence. But, at the time independence was declared in 1776, our forefathers had no actual government which would ensure that these rights would survive. In the history of the world, many peoples have momentarily grasped freedom only to let it slip through their fingers. Our forefathers were in a similar precarious position. Although they had obtained the rights which all mankind inherently strives and struggles for, our forefathers were in danger of losing them without a government which would secure these basic freedoms and protect their safety.

On November 15, 1777, Congress adopted the Articles of Confederation. These articles of government were finally ratified by the States in 1781, as the Revolution neared its end. At this time, after years of war, struggle, and sacrifice, our forefathers' new Republic—the United States of America—was finally self-governing.

Yet this government was highly ineffective. Its primary fault was that the National Government was not strong enough to address issues and

problems which faced the country. When it was devised, many of the Nation's leaders were suspicious of a centralized government. They were fearful that a government which wielded too much power would become a tyranny, similar to the British Crown they had opposed so fervently. And each of the Thirteen Colonies refused to surrender the power it had gained by winning the Revolutionary War. So, although the 13 States were joined what was called "a firm league of friendship with each other," each State retained its own "sovereignty, freedom, and independence." Essentially, the United States was comprised of 13 individual nations. Each State worked independently to satisfy its own ends. For example, each State issued its own currency. Each maintained its own army, and each individual State was responsible for regulating its own trade and commerce.

You can, perhaps, imagine the confusion which resulted from the diverging laws and regulations that were adopted by the various States. Because of differences in currency, \$1 in one State had a relative value of only 50 or 75 cents in another. How was the price for a product in one State to be determined when it was being purchased with currency from another? Also, each State had different laws governing trade. Often, one State would not allow goods from a bordering State to be offered for sale. This was absolute and complete protectionism. Each of these factors led to an economic depression which fostered dissatisfaction in the new Republic.

Furthermore, though there was a national Congress which met regularly and had the power to conduct diplomacy, declare war, and deal with Indians, there was no President to execute laws or to personally oversee relations with other nations. Neither was there any national court system. And because taxation was viewed as one of the greatest powers that could be held by Government, it was reserved by the States. When the National Government needed money, as it did at this time to pay the enormous debt it had assumed during the Revolutionary War, it was bound by the Articles of Confederation to appeal to the States, which would then collect revenue directly from individual citizens. Often, however, the States did not comply with these requests.

The national debt was compounded by a large private debt owed by United States individuals to British merchants. The British refused to surrender forts along the Ohio River in accordance with the Peace of Paris until after the debts owed to British merchants were paid. With this excuse, they continued to enjoy the lucrative fur trade, and to retain the allegiance of Indians. Likewise, the British merchants refused to trade with the

Americans until they were paid. And, other nations, such as France, refused to give the United States Government any additional credit until the money owed them was paid. This debt, both that held by the National Government, and that held by individuals, led to a lack of credit which also contributed to the economic depression that plagued the farmers, merchants, and bankers of the young nation.

Additional problems resulted from the foreign occupation of lands which were adjacent to U.S. territories. The Spanish King claimed the lands which stretched west of the Mississippi. Yet, their agents would not allow American explorers and fur trappers to navigate or chart the rivers in this area. They would even use the Indians as a tool, stirring them up to fight against U.S. explorers and settlers. As I have mentioned previously, the British still occupied the Ohio River Valley, and they, too, manipulated Indian sentiments against American trappers and explorers.

Because the Government established by the Articles of Confederation was not strong enough to adequately resolve the problems facing the young Republic, many of our forefathers believed that a change in the articles would facilitate the operation of the National Government. But a substantive change in the articles required unanimous consent by each of the States. And there was always an objection by at least one State to any proposed change.

The summer of 1786 was an especially frustrating time for America. The country was being hurt by an economic depression that stifled commerce and farming. Armed conflicts had even taken place between States over various trade restrictions. The Indians, stirred up by the Spanish and British, were, again, posing a dangerous threat to settlers. Additionally, pirates in the Barbary states of North Africa had seized American ships and sold their crews into slavery. Even if Congress had agreed to pay the tribute demanded by the pirates for free navigation into the Mediterranean, there were not enough funds in the National Treasury to do so. No relief for any of these problems appeared to be in sight. Any legislative action by the National Congress was vetoed by one or more of the States.

Finally, national leaders hoped that a meeting which was scheduled to take place in the fall of 1786 at Annapolis, MD would provide answers to the many commercial problems which faced the Nation. However, a total of 12 delegates from only 5 States arrived in Annapolis on September 11, 1786, to discuss commercial matters. Representatives from other States either were not sent or had not yet arrived. After 3 days the delegates to what has

become known as the "Annapolis Convention" decided that it would be fruitless to continue. With such poor attendance, nothing substantive could be accomplished. On September 14, immediately prior to adjourning, the Annapolis Convention drafted and adopted a resolution asking each State to send representatives to a new convention which would assemble in Philadelphia in May 1787. This meeting would not be limited to commercial matters, but would address all issues necessary, as they wrote, to "render the Constitution of the Federal Government—the Articles of the Confederation—adequate to the exigencies of the Union." Thus, the foundation for a Constitutional Convention had been set. However, at this time, very few of the Nation's leaders believed that the Articles of the Confederation should be fundamentally changed or rewritten.

But in the fall of 1786, conditions were so bad in parts of America that many citizens resorted to arms in order to solve their problems. In Massachusetts, a revolt was led by a man named Daniel Shays, who had served as captain in the Revolutionary War. Shays was a natural leader. After the war, he had been regarded as a hero, and personally knew George Washington and other national leaders. As conditions in Massachusetts worsened, he led dissatisfied farmers in a rebellion against the Massachusetts government. These farmers were angry over the exorbitant land taxes, the high cost of litigation, and the high salaries of officials. Shays' rebellion was considered a grave threat to the entire Union by leaders in every State, for Captain Shays had a wide appeal among people in each State who had experienced similar frustration. George Washington expressed sentiments common among the Nation's leaders when he said:

It was only the other day that we were shedding our blood to obtain constitutions under which we now live—constitutions of our own choice and making—and now we are unsheathing the sword to overturn them.

Shays' rebellion lasted from the fall of 1786 until February 2, 1787. Shays and his men were finally defeated by Gen. Benjamin Lincoln, a Revolutionary War hero for whom the town of Lincoln, AL, was named. However, the concept of a revolt greatly concerned Americans everywhere. Many people feared that our glorious young Nation would dissolve into tyranny or anarchy—that they would lose the freedoms and liberties for which so many had bravely fought, shed blood, and died. The main result of Shays' rebellion was to enlist support among people in every State for a stronger, more centralized National Government.

Rather than to stand by idly as the Union disintegrated into an anarchy, a few bold men began to consider the upcoming Constitutional Convention in Philadelphia as a forum in which to rewrite the Articles of the Confederation. It could provide the means by which to give the National Government more power and so meet the needs of a growing nation. Foremost among these farsighted saviors of our freedoms and liberties were, perhaps, James Madison, who is known as "the Father of the Constitution," and Alexander Hamilton.

For many months prior to the meeting of the Constitutional Convention, James Madison, a 36-year-old attorney from Virginia who had also served in the National Congress, busied himself by studying various forms of government that had been instituted during the history of the world. By the spring of 1787, when he was chosen to represent Virginia as a delegate to the Constitutional Convention, he was, by far, the most knowledgeable source on forms of government in the United States. Perhaps he, more than any other, realized the true importance of the convention when he said that its action "would decide forever the fate of republican government." Likewise, Alexander Hamilton had long been an advocate for a Constitutional Convention. In 1786, he had written a proposal for what he termed as "a convention of the States for the purpose of strengthening the Federal Government." When the convention was finally called, delegates naturally looked to him for leadership.

The Constitutional Convention assembled at Independence Hall in Philadelphia, PA, from May 25 through September 17, 1787. Fifty-five delegates, including Madison and Hamilton, represented 12 States. Rhode Island was the only State which sent no delegates. People there believed that the Convention was unlawful, that it would meddle in the affairs of the States, and that the smaller States would lose their representative power. There were other notable figures who were not present. Thomas Jefferson and John Adams were away on other Government duties. Patrick Henry was appointed, but refused to serve because he opposed a strengthened National Government, and Samuel Adams and John Jay were not appointed by their States. Still, as you know, many of the Nation's most prominent, respected leaders were in attendance at the Convention. George Washington was elected President, and Benjamin Franklin served at the age of 81.

When the Convention began, the delegates had been charged with the "sole and express purpose of revising the Articles of Confederation." Later, however, a majority of the delegates decided against simply revising the ar-

ticles, and on June 19, 1787, voted to replace them with a new Constitution. Yet, though the delegates knew that the Articles of Confederation were an unsuitable and unworkable form of government, they could not immediately agree on a definite replacement. The disagreement among the delegates was so great that Benjamin Franklin proposed that the Convention begin its meetings each day with a prayer. On June 27, 1787, he said that—

I have lived, Sir, a long time, and the longer I live, the more convincing proofs I see of this truth—that God governs in the affairs of men. And if a sparrow cannot fall to the ground without his notice, is it probable that an empire can rise without his aid?

Franklin's proposal was overwhelmingly adopted.

Finally, two major alternatives to the Articles of the Confederation were offered for consideration. The first plan, the Virginia plan, presented by Edmund Randolph of Virginia, proposed a bicameral legislature—two separate houses—with proportional representation of the States in both chambers. As you can imagine, this plan would have benefited States with large populations. The Virginia plan provided for a president who was chosen by the legislature, a judiciary, and a council comprised of the executive and the judiciary branch which possessed a veto over legislative enactments. Because the president was chosen by the legislative branch, it was feared by some that the president would pledge loyalty to the legislature instead of to the people. Additionally, the smaller States did not support representation based on population. They believed that each State should have an equal vote in all matters. In order to solve many of these problems, William Paterson proposed the New Jersey plan. His plan was a modification of the Articles of Confederation which would have given Congress the power to tax, to regulate foreign and interstate commerce, and which would have established an executive and a supreme court. This plan was favored by the smaller States because it would have provided for equal representation among the States in the national congress.

After long debate, the Connecticut delegates suggested a compromise which settled the problem regarding representation in Congress. Their plan incorporated provisions from both the Virginia plan and the New Jersey plan. Known as the Great Compromise or the Connecticut Compromise, it adopted the bicameral congress as proposed by the Virginia plan, but with provisions of the New Jersey plan. The Congress would be divided between an upper chamber, in which the States would have equal representation, and a lower chamber, in which representa-

tion by the States would be determined by population. Thus, this plan was agreeable to representatives of both large and small States. This agreement dispensed with one obstacle which faced the delegates, but there were many more rivers to cross.

In addition to the bicameral Congress, the delegates eventually agreed to the creation of an executive, and to the formation of a Federal judiciary. In this way, the government was divided into three separate branches. The delegates assigned certain powers to each individual branch of government so that no one entity would possess a disproportionate share of power. No one branch of government would wield total control. Rather, a system of checks and balances was instituted which would ensure responsible government. All money bills would originate in the House of Representatives, but could be amended in the Senate. The Congress would still have the power to declare war, to raise and maintain armies, and to provide and maintain a navy. Proposed legislation would have to be passed by both Houses of Congress, and agreed to by the President. The President would also have the authority to enforce the laws, to negotiate treaties with foreign nations, subject to the approval of the Senate, and would be designated as the Commander in Chief of the Armed Forces. The judiciary would have the authority to settle disputes between States, and between individuals. The agreement reached by the delegates also provide the National Congress with the authority to levy and collect taxes. It would additionally be solely authorized to coin money, and to regulate commerce both with foreign nations and between the individual States. With these new powers, the National Government would be able to address, and solve, many of the problems which faced the nation.

The Constitution that was agreed to by 39 of 55 delegates to the Constitutional Convention was an attempt to establish "a more perfect Union." Indeed, these are the first words of the Constitution they wrote, which begins:

"We the People of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

Though the Constitution had been written, agreed to, and finally signed by a majority of the delegates on September 17, 1787, it had not yet gone into effect, and was by no means law. There were many noteworthy opponents of the strong centralized government for which the Constitution provided. Before it was to become the law of the land, 9 of the 13 States had to

agree to its provisions through the ratification process. Thus, an important debate began among the citizens of each State. Both supporters and opponents began to discuss every aspect of the document that had resulted from 9 weeks of consideration in Philadelphia. Few people understood the importance of the Constitution as fully as George Washington, when he warned that:

Should the States reject this excellent Constitution, the probability is, an opportunity will never again offer to cancel another in peace—the next will be drawn in blood.

Few States were as crucial to the ratification of the Constitution as was the acceptance by New York. In anticipation of the narrow vote which would occur there, Alexander Hamilton and James Madison, the two who had provided such leadership during the Convention itself, were joined by John Jay in drafting a series of essays which argued the need for and necessity of the ratification of the Constitution. Their essays, which are now known as the Federalist Papers were published under the penname of Publius, a derivation of the Latin word which meant the public. These essays attracted attention far beyond the borders of New York and were instrumental in the ratification of the Constitution. Since that time, they have provided guidance and insight into the intentions of the delegates, and the reasons behind many of their actions. The State of New York ratified the new Constitution by a narrow margin of only three votes.

Finally, New Hampshire was the ninth State to ratify the Constitution, putting it into effect on June 21, 1788. It was, in the words of Lord William E. Gladstone, a British statesman who served for 4 terms as Prime Minister of the British Empire:

The most remarkable work ever struck off at a given time by the brain and purpose of man.

Though the Constitution had, indeed, been ratified and was finally in effect, people in every State demanded that certain freedoms and liberties be put in print—not just implied. Thus, 12 amendments were submitted to the people by the First Congress on September 25, 1789. Of these, 10 were ratified and went into effect on December 15, 1791. These 10 amendments to the Constitution comprise the Bill of Rights.

The 10th amendment is of particular importance to the States of the Union. Where the Constitution preempts specific powers to the Federal Government, it merely implies that the States would possess those which had not been reserved. This implication could, conceivably, have been the source of some conflict regarding whether the States actually held these powers. The 10th amendment dispels any question and places in the Constitution the

basis for the powers held by the States. It reads that:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

One thing of which we should all be forever mindful is that the power given to Government by the Constitution originates from the people. Therefore, the ultimate responsibility for the success of our system rests with the people. If the Constitution is to endure, if it is to continue protecting our rights, all citizens should take an active part in the government of our communities, State, and Nation.

Our hold on democracy, on freedom, and on liberty is at times tenuous. Our rights have been threatened many times during our 199-year history. But, remembering the words of President Grover Cleveland at the time of the Constitution's centennial commemoration will help to give the resolve necessary to face future challenges. He said:

If the American people are true to their sacred trust, another centennial day will come, and millions yet unborn will inquire concerning our stewardship and the safety of their Constitution. God grant they may find it unimpaired.

As we approach the 200th birthday of our Constitution, I want each person to consider what they can do in this year of the bicentennial of our Constitution. I want to give each of you a challenge. Every high school, every church, each mayor and every town council should, themselves, form a council or commission to commemorate and celebrate the bicentennial of our Constitution. In this way, a thorough understanding of the precepts and workings of our charter of liberties and government will be available to all. Each person will serve as an ambassador for the celebration.

After the Constitutional Convention adjourned on September 17, 1787, Benjamin Franklin was approached by a woman on the street as he left Independent Hall. "Well, Doctor," she said, "what have we got—a republic or a monarchy?" "A republic," he answered, "if you can keep it."

On September 17, 1796, 9 years to the day after Dr. Franklin was questioned on the street, George Washington gave his Farewell Address after serving as America's first President. In it, he stated that "the independence and liberty you possess are the work of joint councils and joint efforts, sufferings, and successes." Because you will inherit the stewardship of our republic, you must likewise act in joint efforts. You may also suffer hardships. But I assure you—if, as I know you will, you guard and protect our Constitution, you will be rewarded with successes. And someday, as Benjamin Franklin wished in the year of his death:

God grant, that not only the love of liberty, but a thorough knowledge of the rights of man may prevail all the nations of the earth . . .

SENATORIAL ELECTION CAMPAIGN ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Washington.

Mr. ADAMS. Mr. President, I rise today in support of S. 2, the campaign reform bill.

Unfortunately, we have spent many weeks during the course of this session working to produce simply a consideration of S. 2, so that we could amend this bill and so that we could proceed forward with a campaign reform measure.

Many of us who were involved in the last campaign can only say to those who will be involved in the next campaign that our strenuous efforts on the passage of S. 2 and campaign reform to bring limits to the enormous expenditures which have occurred in the past are not something that we do in order to simply produce a record of the agony that we suffered in the last campaign, which was building toward a great crescendo, particularly in the months of October and November.

Rather, it is to say to those who will run next time and even more importantly to the American people that this process is rapidly going out of control.

We have reached a point with instant communication, with the ability of people to raise large sums of money, with the willingness of some people to spend large sums of their own money that we are converting the political process, and particularly in races that are involved in statewide elections, into a system that will do no more than convert the Senate of the United States into an institution that is controlled by wealth.

This is not why the Senate of the United States was created. In the debates in the Constitutional Convention leading to the final Grand Compromise in July 1787 we have a clear record that what was to be accomplished was a compromise between States of smaller populations and those of larger populations to create instead of a unicameral legislature such as existed in the Parliament and in the parliamentary governments of various portions of the European continent but instead to create a system that could properly unite our States that were small with those that were large and even more important to provide a system of movement into the western portions of the country where new States would be formed that originally would have small numbers of people but would feel that they were

part of the Union and as part of the Union they would know that their rights were protected in the Senate of the United States which goes two by two rather than by population.

If this body had been intended to be one, as was originally envisioned by Alexander Hamilton and others, that would be appointed for life or to be like a House of Lords, that compromise would not have been adopted. It would be a great tragedy at the end of the 20th century if we were to change the condition and the complexity and the basis on which the Senate was founded to one that had been rejected by the original Founding Fathers. The Founding Fathers had a definite purpose in mind and it was not to create a House of Lords.

I think some of us that have just completed campaigns probably feel more strongly about this than those who have not been in a campaign for even as short a period as 2 years ago. The escalation factor of expenditures in the number of outlets necessary is multiplying every day. I can remember a time when it was only necessary in my State, which is a relatively medium-size State, eight congressional districts, we only had to determine really two media markets. Now there are four. And if you begin to consider cable outlets you are close to 10. Each now requires an expenditure of money. That expenditure of money, if it becomes overwhelming in behalf of either candidate in the campaign, can mean that you do not become a credible candidate at all.

What we are talking about in this campaign reform bill is not to prevent people from establishing their measure or establishing what they really are or taking measure of the other in the campaign, what we are trying to say and do is to be certain that people who run for office with a credible purpose are heard and that these people are recognized as being viable candidates. If you are not a viable candidate, no amount of work by volunteers, no amount of effort by individual candidates, no amount of effort by small contributors will offset the fact that you are not known to be a candidate.

I think this last election was a most unusual one. There were a series of people elected to the U.S. Senate that were elected through very sophisticated new campaigns involving the bunching of money, spending it at exactly the right time, and really a series of minor miracles which I can guarantee you, Mr. President, will be corrected for and is being corrected for at this very moment in every campaign shop with money in the entire United States. They will never be caught unaware again. And since they will not be caught unaware, it means that the pressure on those to give money will

become more and more every day that goes by.

I am simply hopeful, Mr. President—and I know that the Senator who is the Acting President now shares this belief with me because we were two of that group who had a very unusual experience of being able to challenge and were told that we could not do this because of the relatively small amount of money that we had. But when we look at that relatively small amount of money, the amount of money that I spent, which was called relatively small, was more than had ever been spent in the race for the particular seat that I happened to run for. We spent more money than the candidate had spent for that election in 1980. My opponent spent three times as much.

This is the basic problem that we are trying to correct. It is not just to level the playing field, but it is to make the playing field available. I am very concerned that in the next election and the one that follows, if this escalation continues, the younger candidates will drop out. The candidates who have a message will be overwhelmed. The candidates who have money will coast to victory. And, as we look around this body, the people who will be speaking, the people who will be addressing the issues of the day will all address them from the same perspective. A body that addresses all issues from the same perspective drops out a remarkable number of the American people. We do not want that to happen.

Therefore, I hope we will move to consideration of S. 2. I hope that at least the motion to proceed will be adopted. I think we might state at this point that if it is not, this Senator, and I know a number of others, will be supporting procedural reforms that say that at least on the motion to proceed it should be able to be presented to this body in a minimum period of time. Then if Members wish to amend, filibuster, spend their time, that procedural step is over and the bill itself can form.

It is impossible to correct a bill or to form it or to answer arguments on individual or perhaps technical mistakes within a bill when it is not officially before the body. If it is not here where it can be amended and debate can take place, it cannot be perfected.

So I hope that people will vote for cloture, that we will proceed with this bill and, if not, that they will support reform so that a motion to proceed can be immediately adopted and, thereafter, the Senate can work its will.

Mr. President, I appreciate the time that has been spent by Senator BOREN.

CONGRATULATIONS TO SENATOR STENNIS

I also on this day want to offer my congratulations to Senator STENNIS, who has been a friend for over a quarter of a century. He is a symbol of gal-

lantry in the U.S. Senate. We all wish him very well on his birthday and many happy returns of the days to come.

Mr. President, I simply hope, with his remarks and that of many of the rest of us, that those that are listening will understand that this is not a partisan measure with S. 2. This is not a measure that does anything other than give the American people a chance, and particularly those from the smaller States, to have a fair voice. And that fair voice is important. This country must never divide into States large or small or into regional coalitions, because the whole purpose of the Constitution was to create a union of States, not a division of States.

With that, Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, we have been discussing today S. 2, the measure to reform the campaign finance laws. As has been made clear, there are several of us who have joined in presenting S. 2 initially, including the distinguished majority leader and myself and almost 50 Members of the Senate.

We have been endeavoring to find a way to move this legislation forward; to move it forward because we sincerely believe that it deals with one of the most pressing items on the national agenda and that item is: What do we do to contain the ever escalating cost of campaigns?

Just 9 years ago when I first ran for the U.S. Senate, the average cost of winning a U.S. Senate seat, the average amount spent by a winning candidate was \$600,000. I thought that was an alarming amount of money to spend in a State the size of my State, for example, approximately 3 million people 9 years ago; \$600,000.

And since that time, we have seen the cost of campaigns go up and up and up, skyrocketing virtually out of sight. In some States, we have seen campaign spending for the U.S. Senate elections—not a Presidential election, but U.S. Senate elections—go as high as \$25 million. And even in the average-size State, just the average-size State, a State about the size of my State of Oklahoma, the average winning candidate in the last election cycle spent not \$600,000, not \$1.2 million, not \$2.4 million, but \$3 million in getting elected to the U.S. Senate.

Mr. President, where is this all going to end? As I have recounted to my colleagues on the floor previously, I was

speaking to a group of students recently just as I was speaking to a group over at the Dirksen Building, a group of interns, college students who are serving here and working here in congressional offices this summer. Just this afternoon, I was talking to them. I was talking to them about this problem. Many of them expressed great concern about what is going to happen to the political process in this country; what is going to happen to the idea that every young person who dreams of performing public service will have an opportunity to enter into that profession, will have an opportunity someday, if he or she is willing to work hard, has good ideas, good character, and is well qualified, to have a chance to run for office and to serve in the U.S. Senate or the House of Representatives someday. What is going to happen to that dream if we allow the cost of the campaign to continue to escalate?

I was talking to a group of high school seniors and asked them if they would like to serve someday in the Senate. A lot of hands went up, that they were interested in that. Then I said, thinking 12 years ahead and in no way exaggerating, but just looking at the rate of increase in campaign costs over the past 12 years, going from somewhere around \$.5 million up to \$3 million, and I just project that same rate of increase with no exaggeration at all, no change, just the rate of increase in the last 12 years, projecting forward 12 years, the figure was \$15 million that came out as the estimate of what it will cost to run for the Senate 12 years from now when those high school seniors will be qualified by age to seek service in the Senate.

I asked these students, "Those of you who are thinking about running for the Senate, have you started thinking about how you are going to come up with the \$15 million it is going to take when you are old enough to run to try to serve in this body?"

I will never forget the expressions on their faces, the expressions of feeling let down. "What has happened to our system? What is happening to our country? What is happening to those of us who might have a dream of public service in the future?"

Mr. President, we cannot let that happen. Look at how it has already distorted what is going on in this institution, how the massive amount of money that is required to run for office is already distorting the institutions of Government including the U.S. Government, of which we are all a part.

Just at the current time, with the \$3 million figure, stop and think about it. That means that if you are going to raise \$3 million to be ready to run for reelection, and if you just got elected this year, you have 6 years to get

ready to raise that \$3 million that it is going to take. You have to raise that figure a little bit because of the current rate of increase means that 6 years from now it will be more like \$6 million than \$3 million.

Let us assume that it stays the same. That will mean you have to raise \$10,000 every single week of your entire 6-year term to raise the \$3 million necessary to run for reelection to the Senate, \$10,000 each and every week.

Mr. President, with all of the problems we have in this country, problems with our trade imbalance, problems of millions of American jobs lost because we are no longer competitive in the world market, problems, challenges to the United States and our national interests and a highly volatile situation in the Persian Gulf, for example, as we meet today, problems in our own hemisphere, what to do about the growing influence of those hostile to the United States and our system of government in Central America, not halfway around the world but in our own back yard, how do we form a bipartisan consensus about this? Problem after problem. What do we do about the arms negotiations? Are there opportunities presenting themselves of which we should be taking advantage? Problems that our constituents elected us to solve. Great issues of the day that we should be thoughtfully considering. And in the midst of all that, those of us who are elected to the Senate, who should be spending our time solving the problems that our citizens sent us here to solve, must reflect on how we will raise \$10,000 this week, \$10,000 next week, \$10,000 the week after that, and \$10,000 the week after that, so that at the end of 6 years, we will raise the \$3 million now required in just the average-size State to run for election in the Senate.

People did not send us here to be full-time, year-round fundraisers. They sent us here to concentrate our abilities and interests on solving those problems that are facing our country. Something must be done about it, Mr. President.

That is one of the reasons why those of us who introduced this legislation felt compelled to do something. That is why we feel so strongly that something has to be done. That is one of the reasons. Spending is out of control. It is taking the time and effort and energies that should be going into solving the Nation's problems. It is creating also the appearance of undue influence by money in the political process.

We must not allow the people of this country to believe that the highest positions in the public trust in our country are for sale on the auction blocks

to those who can raise the most money to run an election.

I am convinced that is one of the reasons why the United States now has the second lowest percentage of voting of any country in the Western World. Think about that. What a record it is. It is not a record of which we can be proud.

I heard our colleague Jennings Randolph not too long ago. He retired as a Member of this body after many years of distinguished service dating all the way back to the first 100 days of Franklin Roosevelt's administration. For 30 years, Senator Randolph, starting back in 1940, introduced the amendment to the Constitution to allow 18-year-olds to have the right to vote, 30 years of effort to introduce it and reintroduce it every 2 years before it was ratified and enacted.

He was talking just this last week to a group of interns about his disappointment in the small percentage of those who had been given the right to vote having actually taking up the right. Imagine, there is only one other country among all the Western democracies that votes at a lower percentage than the United States.

Here we are with the greatest opportunity to influence what goes on in our world, the most powerful Nation on Earth, the freest Nation, and we take for granted the reason that we do not exercise our right to vote. I am convinced that part of that disillusionment keeping people away from the ballot box is their feeling that, back at the grassroots, one lone citizen cannot make a difference, that it is money, massive amounts of money, raised increasingly from special interest groups that will determine the outcome of elections anyway so why go to the polls to vote.

We cannot afford that kind of disillusion with our political system. We have to do something about it. We have to restore some balance. It is not only the amounts of money being spent but where the money is coming from that is alarming. More and more and more of that money is coming not from the people back home, not from individual contributors back at the grassroots in that Senator's home State or that Congressman's home State, but by organized special interest groups, largely run by lobbyists here in Washington, DC.

I say that not in derogation. Every group has a right to be represented by Washington representatives. Many of them are of great integrity and honesty and are here to explain the people they represent. But the money is being controlled by people here, not the people back home. Forty percent of all Members of Congress elected last time received over half of their contributions from outside of their home States instead of from people back home. The percentage of total

campaign spending coming from the small contributor of \$100 or less in the home State or district has shrunk in half over the last 10 years and the amount coming from special interest groups has skyrocketed.

In 10 years we have gone from \$12 million to well over \$100 million in political action committees and the amount keeps going up and up and up.

What happens to the concept of grass roots democracy?

As one leader said not too long ago representing one of these special interest groups, he said, "I was talking to a Member of Congress the other day and he said that he got 80 percent of his money not from the people back home but from the people here in Washington. You can have fundraisers here in Washington raising several thousand dollars in one night."

He quoted the representative as saying, "Isn't it a wonderful thing that you can raise all you money right here in Washington?"

"I used to be so embarrassed; I had to go back home to people I knew, people who were voters in my own district and I had to ask them to give me a campaign contribution." He said, "Isn't it wonderful that all that has changed; now we can raise all the money here in Washington, DC and we don't have to bother the people back home by asking them to support our campaigns anymore." He said, "What do you think about that, Senator?" I said, "Well, I am grateful that the Constitution at least requires that we have to trouble the people back home to vote in the elections or we could just solve the whole thing and let the people here in Washington, DC run it all, raise the money and have the election both."

We at least leave a little place for the people back home at the grassroots.

But something has to be done about it, in all seriousness. It is out of balance. What about this money coming from the special interest groups, the political action committees, be they of business, be they of labor, be they of single issue groups? Where do they invest their money? That is the term they usually use, investing their money in the political process. Do they give it equally to challengers and incumbents alike? No, they do not. You will find that about 82 percent of all that money is going to incumbents. They do not care if they are Democrats; they do not care if they are Republicans. They are incumbents. They are there. They are chairmen or ranking members of those crucial committees and subcommittees where they need the doors opened to have their story told. People are just human. I do not think any Members of this body would be subject to being directly influenced by campaign contributions.

But what happens if there is only 30 minutes left or 1 hour left or 5 hours of time before a crucial decision can be made in a committee and someone knocks on the door and wants to see that Member, somebody who represents a group that has given \$10,000, and someone else is knocking on the door, a constituent from back home, who has never been able to give but \$5? What happens? Who gets the access? These groups end up giving 80 percent of the money to incumbents because they are there, they need to deal with those subcommittees. They are going to be there for the 2 years or 4 years or 6 years left in their term. They do not know if that challenger is going to win or not. And then what happens? Suppose they bet on the incumbent because they want the access. What happens if that incumbent loses to the challenger? Most of these groups are pretty fast afoot. You will find group after group, all of a sudden they give to the challenger who has won to help pay off his deficit. And we have scores of them. Millions of dollars are given to both sides. If they happen to give to the incumbent and the incumbent got upset, they quickly get on board with the challenger now that he is here and has office doors that need to be opened.

So there needs to be a balance struck. We need to allow the people at the grassroots to have more input, and that is why S. 2, and the substitute for S. 2 as now pending, provides that to qualify under our system as it is being set up, you qualify for certain benefits if you accept voluntary spending limits. You also have to raise a certain amount of your campaign contributions from small, grassroots contributions of \$100 or more back in the home State or the home district, so that we make sure that we keep alive that concept of grassroots democracy and keep some balance to the process.

So, Mr. President, there are reasons for our concerns, deep concerns. There is justification for very strong concern about what is going on.

We cannot allow the cost of running for the United States Senate to run all the way up to \$15 million in an average size State. It is a disgrace we have allowed the situation to develop where a Member of the Senate has to spend every week raising an average of \$10,000 every, single week without exception for 6 years in order to have a chance to be reelected.

That is a disgrace. It is a disgrace. We should not allow a system to continue where more and more of the money is coming from special interest groups that are giving out that money not on the basis of the total record of a Senator, not on the basis of his or her record for honesty and integrity or the stands on issues but on a little narrow range of issues, not the whole

voting record, the three or four votes that are of interest to that interest group that year on which they rate us. They say, "Well, we will give the \$10,000 only to those who are at least 75 percent with us on those three or four votes."

It is fragmenting us at a time we need to be coming together as Americans to deal with these serious problems, trying to determine what is best for the people of this country. Campaigns are being more and more financed by special interests at a time all of us need to be challenged to look at what is right for all of this country in the years ahead. We cannot ignore it. We must do something about it.

And so we introduced S. 2, and S. 2 said if you accept the voluntary spending limit—the Supreme Court has said we can no longer apply a mandatory limit. The Supreme Court decision of *Buckley versus Valeo* said you can no longer put a direct limit on how much candidates can spend. What is the only way you can do it? It has to be a voluntary limit, the Supreme Court said. How are you going to get candidates to accept the voluntary limit? You have to give them incentive, a package of benefits to encourage them to accept it.

As was said in some movie, you have to think of some kind of offer they simply cannot refuse to entice them into a situation where they will voluntarily accept these limits. So when we introduced S. 2 we said if you will accept the voluntary limit when you file, to get our campaign spending within some kind of reasonable level, you will then be eligible to get a certain amount of money from the voluntary—and you will raise it only 20 percent from PAC's, the rest from individuals, and you will raise a certain threshold amount from inside your home State from small contributors, then you will qualify for public funds from a voluntary checkoff pool, checked by people on their income tax return. That is the incentive to get you to accept the voluntary spending limits.

There were those on the other side of the aisle—and I understand why they said what they said because I myself have had a lot of misgivings about public financing—who said, "We cannot support that because you have taxpayer's dollars in there. You have public financing in that. We do not want public financing." I understand that.

That is why we are joining together, Senator Exon from Nebraska, who himself had those strong misgivings about public financing, who said he could not support a bill with public financing, Senator BYRD, myself, and others, to offer a substitute. No longer do we automatically give those candidates who accept the voluntary limits public funds.

Here is the way S. 2 would now work as we envision it under the new compromise proposal which was offered. Fifty-three Members of the Senate indicated we want to shut off debate; we want to vote on this bill; we want to have campaign reform. There was a filibuster and we were blocked, the majority was blocked from acting upon its desire to have true campaign reform. Those who conducted the filibuster said, "The reason we cannot accept this bill is that there are public funds in it." And so in the spirit of compromise, we said we will come forward and change this bill.

Let me say this is a sincere effort. If those who oppose where we are now have difficulty with this particular formulation, I hope they will come to us, talk to us, see if we can have a meeting of the minds because we must not take this item off the national agenda until we have dealt with it. We owe it to those who elect us. When we took an oath to uphold the Constitution, surely we undertook a responsibility to protect the integrity of the election process. That is a responsibility that we must not shirk.

This particular issue is not going to go away. I can promise my colleagues it is not going to go away, as far as this Senator is concerned, until we deal with it. It does not have to be 100 percent a bill that this Senator would write if he could write the bill for all of the Senators. Of course not. We have to take into account the desires of the other Members of the Senate. But we must have meaningful campaign reform.

I can promise my colleagues if we do not do it now, if we do not do it next month, this Senator is going to be back. And I have heard the majority leader say the same thing. We are going to bring this bill back; we are going to bring this proposal back; we are going to bring back true finance reform again and again and year after year after year until we finally do something about it.

I have no doubt that we will do something about it. This is an issue that is not going to go away. Those who think they can just hide their heads in the sand and it will all go away and we will not have to worry about it anymore are wrong.

The problem is not going to go away. As long as the problem is there, those who want to do something about it are not going to go away. We are not going to go away until something is done about it.

The people back home are going to have an opportunity to judge the Members of the Senate on whether or not they want a system of elections that allows people to compete on the basis of ideas and ideals and hopes and plans for this country and qualifications, or whether or not those people for whom they are being asked to vote

want to have competition based upon who can buy elections and raise the most special interest money and obligate themselves. It is always necessary to think about obligations you are making when you have to face the task of raising \$10,000 every single week you serve in public office.

It is not going to go away, Mr. President. The people are going to ultimately insist on something being done. The only question is, will we have to wait until a major scandal takes place that shakes this country to its roots before something is done, or are we going to take action before that happens, to restore trust and confidence?

So we have come with a new proposal. The new proposal says, for example—say, a State has a \$1 million voluntary spending limit. I file for office and accept a \$1 million spending limit and say I will live by that. What do I get in turn to encourage me to do that? I get lower mailing rates.

You say, "Is that going to cost the taxpayers money?" No. Right now, all political parties, even the Communist Party and fringe parties, automatically get the bulk mailing rate. We are going to take it away from them. It will raise more money than it will require to finance this bill.

We are going to give that mailing rate only to those candidates who accept the spending limits. It will probably be a saving to the taxpayers and an incentive to the candidate who accepts it.

Second, candidates who do not accept spending limits will have a disclosure on their ads, like "The Surgeon General warns that smoking is hazardous to your health." It will be on television, radio, and direct mail: "This candidate does not accept voluntary spending limits."

So the people who are asked to vote for him or her will make the playing field fair. If Members of this body do not think the people care to have fair ground rules, do not think the people care about the massive cost of running for office in this country, fine. Let them have the courage of having that stamped on every ad and every letter. I will live by that. People make their judgments. All we are asking is that the people be informed about the candidates' view on spending.

So those are two of the incentives.

Right now, also, broadcasters have to give the lowest rate on television and radio advertising to all political candidates. We provide that they only give it to candidates in the future who accept voluntary spending limits.

Then we provide that if I have to raise \$1 million, which is the spending limit, I have to raise all that privately. I have to raise it not from the Government, as in the original bill, but I have to raise it privately. I have to raise a threshold amount from small contribu-

utors in my home State, cannot take more than 20 percent from PAC's, mainly individual contributors in my home State.

Then, as a standby enforcement mechanism, when public funds do come into play—in an unlikely case—No. 1, if I raise my \$1 million and stay by the spending limit but my opponent decides to go over the spending limit, then, as an enforcement tool, I can draw money up to an additional \$1 million from that fund, to offset the spending by my opponent.

I do not think it will happen. If you know your opponent is going to break the barrier, will you do so? I do not think it will happen. But it stands there like a guillotine, to sweep down as a punishment if someone wants to try to buy an election.

The other time it might come into play is if you are attacked by a so-called independent group and they start running ads against you on television, that group will be on notice that the candidate who has been attacked may draw money from the voluntary checkoff on tax returns. I do not think money will be spent there, either, because why would a group make an attack on a candidate if they knew that he, in essence, would get free time to respond to that attack?

It is necessary to have a device like that. In the original bill that we had 2 years ago, the Boren-Goldwater bill, we had a provision that said the TV station had to give equal time if someone was attacked. The broadcasters said: "We don't think it's fair for us to be the total enforcement mechanism, the judge of all this, the financier of all this." That was taken out of the bill by a vote of the Senate. But we have to put something in its place to discourage the flow of money. There has to be something to keep that from happening.

So we offer S. 2 sincerely in the spirit of compromise. I think my colleagues know that if I were ranked on my record for being partisan, I would probably be at the bottom of the list. On occasion after occasion, I have not hesitated to cross party lines to do what I thought was right. While I am proud of my party affiliation, my first responsibility is to be a good Senator for this country and to be an American first.

Sam Rayburn often said he thought that if you were going to be a good Democrat, you had to be a good American first, and I cannot think of a better definition that came from one whose party loyalty was never in question.

In this situation, all those on both sides of the aisle are called upon to be good Americans first. We cannot afford to let this break down along party lines. We cannot allow party concerns to prevent us from effecting meaningful campaign reform.

This Senator has no interest in proposing a bill simply to help one party or the other. If this Senator were wise enough to write a bill that he would be sure would be absolutely neutral, that is what I would do. That is my goal. I am not for campaign reform to help one party, even my party. I am for campaign reform to preserve the integrity of the election process.

We have now presented a bill that does not have public funds in it, but it does have spending limits, voluntary spending limits, so that we can get spending under control. It is time for that.

I send this message to my friends on the other side of the aisle and those in both parties who have hesitated about supporting campaign reform in the past: We are ready to do something good for our country. Join us.

If, for some reason, you do not think this new proposal, which we offer in the spirit of compromise, is all it should be, if you think it can be improved, offer your suggestions to us; tell us what our own improvements would be. But join us, for the sake of the country and for the sake of the integrity of the election process, in an effort to do something that will help our country. Join us in an effort to do something so that the young people I have talked to, who want to perform public service, can attain the hope and dream of being a part of this political process directly some day, so that they can keep alive their hopes and dreams of coming here and helping our country in this arena, in which policy is worked out. Do not foreclose that opportunity, and do not deprive the people back home, at the grassroots, of the sense that they, themselves, can make a difference in their own political process.

When the people begin to believe that they cannot make a difference—when they lose heart—the vitality of this entire political system and the vitality of this country we love so much will be sapped. We must not allow that to happen.

I urge my colleagues to reflect upon the compromise which will soon be officially offered to the Senate for S. 2. I urge them to put aside party considerations and to join us in taking this reasonable and balanced step toward meaningful campaign financing reform.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SHELBY). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I am ready to call up the nomination of Mr. Greenspan to be a member of the Board of Governors of the Federal Reserve System. The distinguished Republican leader has control of half the time on the other side of this nomination.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, with the Republican leader's approval, I now ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. Alan Greenspan, and that the time under the control of the Republican leader be transferred to the control of the distinguished Senator from Missouri [Mr. BOND].

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

FEDERAL RESERVE SYSTEM

The legislative clerk read the nomination of Alan Greenspan, of New York, to be a member of the Board of Governors of the Federal Reserve System.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, will the majority leader yield me time on this nomination?

Mr. BYRD. Mr. President, the distinguished Senator from Wisconsin has control of 15 minutes of the time.

Mr. PROXMIRE. Mr. President, I yield such time as I may require and I will be as brief as I can.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the Greenspan nomination as Chairman of the Fed is difficult for this Senator.

First. There is nothing in the Greenspan experience either in his long record of service to money center banks, or his role as an advocate for the Nation's largest and most powerful corporations, or his service as Chairman of the Council of Economic Advisers in the Ford administration that shows independence. Mr. Greenspan, through no fault of his own, follows three towering and proudly independent Federal Reserve Board Chairmen: William McChesney Martin, Arthur Burns, and Paul Volcker. The willingness to oppose and, if necessary, fight the unwise policies of those who hire him has never been demonstrated by Mr. Greenspan in any capacity. With his accession can the Fed kiss its prized independence goodbye?

Second. At a time when the country, including financial institutions, are moving toward widespread mergers

and increased concentration. Dr. Greenspan testified last week that he doesn't even support the Sherman Antitrust Act of 1890, that has been for nearly 100 years the country's basic antitrust statute. This is specially pertinent. Here's why: The Federal Reserve is the agency that more than any other can deny or approve bank mergers. With the accession of Alan Greenspan as the country's preeminent bank regulator and the ruling force that will permit or deny bank mergers, the country may be poised on the verge of a transformation of the American financial economy into its greatest concentration since the turn of the century.

Third. Most significant of all, Mr. Greenspan supports the abandonment of this country's long-term policy of separating banking and commerce. He does, indeed, favor the requirement of a so-called Chinese wall designed to keep the two apart. This Greenspan position puts him into direct opposition on this critical issue with retiring Chairman Paul Volcker. Chairman Volcker told our banking committee just last week that he vigorously opposes the merging of commercial firms with banks. Mr. Volcker contended that the Chinese wall does not and cannot effectively insulate a bank from the firm that owns it. Volcker contended there would be no reason for a commercial firm to acquire a bank if the commercial firm were fully and effectively separated from using it or managing it.

And there are four strong points to be made in Alan Greenspan's favor. First, he brings to the Federal Reserve Chairmanship a clear commitment to follow monetary policies that will counteract inflation. The Federal Reserve Board has been our country's main bulwark against inflation. Of all the prospective Chairmen the Reagan administration might have been realistically expected to appoint—except for Chairman Volcker—Greenspan promises to be the most willing to pursue anti-inflationary policies.

Second, the President has at least one vacancy to fill on the Fed Board. For several years it has been clear that this President has not followed the past practice of previous Presidents of consulting the Fed Chairman and relying heavily on his advice in appointing other members of the Board. It is likely in view of the trust of the President and his economic advisers in Mr. Greenspan they will once again rely significantly on the Chairman in appointing other members. This will make the Board more cohesive and more likely to follow Greenspan anti-inflation policies.

Third, if Dr. Greenspan were denied approval it is unlikely that the administration would appoint a better qualified Chairman.

Fourth, Mr. Greenspan has excellent personal qualities. He is intelligent. He is respected by the business community that knows him and his work. He is an extraordinarily civil and decent man.

So with misgivings, with reluctance, this Senator will vote on balance for the confirmation of Alan Greenspan as Chairman of the Federal Reserve Board.

Mr. President, because this is of such absolutely vital importance—the Chairman of the Federal Reserve Board had been called the second most powerful man in America—I ask for the yeas and nays on this nomination.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I yield myself 2 minutes.

Mr. President, I am pleased to rise in support of such a distinguished nominee as Alan Greenspan to be a member of the Board and Chairman of the Federal Reserve. I have known and admired Alan Greenspan since his days with the Ford Administration and have every reason to believe that he will be a fine Federal Reserve Chairman.

During Mr. Greenspan's confirmation hearing before the Banking Committee there was quite a bit of discussion about why anyone would want to take the job of Fed Chairman at this time. We talked about the enormous responsibility that Alan Greenspan has agreed to undertake. He will have to contend with an irresponsible fiscal policy that we foisted upon the country, trade deficits, budget deficits, lingering recession in some parts of our economy, the Third World debt crisis, record numbers of bank failures, an outdated legal structure for our financial system. In addition, the Federal Reserve will probably continue to serve as a convenient scapegoat for all sorts of groups seeking easy answers or trying to avoid responsibility. Yet, Alan Greenspan answered the questions that the Banking Committee put to him in a clear and forthright manner. He demonstrated the qualities that we would like to see in a Federal Reserve Board Chairman: A sound grasp of economics, a willingness to take political heat from both Congress and the White House, the ability to make hard choices on very complex problems.

The Congress has certainly not made the Fed Chairman's job any easier, and we have not been able to deal with the fiscal problems which contribute to the deficit.

As for Mr. Greenspan's independence, as our distinguished committee

chairman has pointed out, Mr. Greenspan has raised questions about the economic consequences of laws that this Congress has adopted in the past in antitrust and in financial institution regulations.

I admire his independence. I hope that he will continue to question the economic impact of laws that we are considering because sometimes the laws that we pass do not conform to the laws of economics.

There is, however, no question in my mind that he will follow the law, though he may question the economic soundness of particular provisions. Furthermore, and finally, I am confident that Alan Greenspan is up to the heavy responsibility that faces the Chairman and that he will measure up to the very high standards of his predecessor. I applaud his willingness to tackle these issues, although I might question his good judgment in being willing to do so.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. I am happy to yield the time he may require to the Senator from Mississippi.

Mr. STENNIS. I certainly thank the Senator.

Mr. President, I am planning to vote in favor of the pending matter about the new officer in this role.

I want to say a word of appreciation for the services of the retiring Chairman, Paul Volcker. I did not know Mr. Volcker before he came here. I had very little association with him during the tenure he served here. So there is nothing personal one way or the other about this.

But I certainly admired him as an official in his poise, his deliberateness, his high sense of obligation to his duty and to his very fine knowledge and understanding, as it seemed to me, about his mission and about the economy and what should be done or what we should try to do about it.

It is a little out of my calling, but I called him up once and told him I would like to have breakfast with him, and he invited me to come over. I did not want to take his time, otherwise, I was very much impressed with the things that he said. All of those bad years we went through, with the high interest rates and other things, it was not any individual's fault, particularly, but he gave us an understanding of it. I am glad to be able to commend him highly and thank him, too.

I yield the floor. I thank the Senator for yielding.

Mr. D'AMATO. Mr. President, I rise to support enthusiastically Dr. Alan Greenspan as a nominee to the position of chairman of the Board of Governors of the Federal Reserve System. We are truly fortunate to have a man of Dr. Greenspan's stature to succeed Paul Volcker. Because Dr. Greenspan

is no stranger to many of my colleagues, I will refrain from reciting the entire litany of his professional and academic accomplishments—all of which are achievements that recommend him to the position for which he is under consideration. Most important of all, however, is that he is a native New Yorker.

A review of Dr. Greenspan's biographical sketch reveals that he is a very busy man. In addition to his position as chairman and president of Townsend-Greenspan, he currently is a member of the President's Economic Policy Advisory Board, Time magazine's board of economists, senior advisor to the Brookings Institute, and a consultant to the Budget Office. He currently sits on the boards of 7 major corporations and is a member of numerous other councils, commissions and noncorporate boards.

Considering that he will have to sever many of these associations, it appears that Alan may be viewing the position as Fed chairman as a way to reduce his tremendous workload. At his confirmation hearing I assured Dr. Greenspan that if anything his workload would increase. As America's central banker he will be the ringmaster of the three-ring economic circus which is confronting the American and world economies. In one ring we have an increasingly weak dollar that threatens to push the inflation rate out of control if not properly monitored. In the center ring we watch both U.S. and foreign economies growing at a slow rate that could easily slip into a global recession that could even more easily occur should interest rates climb too high. And in the third ring we watch the spectre of the entire world financial system walking the unstable high wire of nonperforming Third World loans.

In short, his job will not be an easy task—since, to a large extent we are entrusting him with the fate of the dollar, the course of U.S. interest rates and quite possibly the prosperity of the world economy. Of all the distinguished bankers and economists who could have been considered, I believe that he is the best successor to the Fed chairmanship that the President could have chosen. Further, I would suggest to those who feel his nomination will turn the Fed into an arm of the administration that they do not know him very well. The Alan Greenspan that I know is not one who avoids the tough policy decisions for the sake of political expedience.

I am confident that his tenure as chairman will be most successful. I say this not only because he is a friend but because his academic and professional training has prepared him for this position. Therefore, I urge my colleagues in the Senate to swiftly confirm Dr. Greenspan, so he can get to work on

the difficult tasks that we all know need to be done.

Mr. CONRAD. Mr. President, this vote to confirm Dr. Alan Greenspan as chairman of the Federal Reserve Board has tremendous significance. Few people in Government have as much influence over the conduct and course of economic policy as the chairman of the Federal Reserve. And this position is particularly important now, amid growing concerns about the stability of our economy and the crucial role that monetary policy will play.

The challenges facing the Federal Reserve at present are enormous, Mr. President. This country's budget and trade deficits are at staggering, unprecedented levels. Our dependence on foreign capital to finance these deficits has produced massive accumulations of foreign debt, transforming the U.S. from the largest international creditor to the world's largest debtor. And of utmost importance to an agricultural State like mine, real interest rates have remained extraordinarily high. Recent rises in interest rates have understandably sent shock waves through interest-sensitive sectors, raising fears that the economy's growth could subside and that unfavorable exchange rates could return.

By his actions affecting interest rates and the availability of credit, the chairman of the Federal Reserve will have a profound effect on the stability of our economy over the next 4 years. But the Fed will also face considerable cross-pressures during this period. It will be urged to pursue expansionary policies to assure that the fiscal restraint required to reduce the budget deficit does not produce a slowdown of the economy. Meanwhile, concerns about any resumption of domestic inflation as well as international considerations could make the Fed reluctant to lower interest rates and allow further declines in the value of the dollar.

I am very concerned about how the next Fed chairman will view these choices. High real interest rates and an overvalued dollar are literally life-or-death issues for my area of the country. Agriculture export markets were savaged by the extreme appreciation of the dollar from 1980 to 1985. Exchange rates have clearly improved since then, but the dollar is still overvalued—especially in relation to the currencies of most of our leading agricultural competitors. If anxiety about inflationary pressures, which strikes me as misplaced at present, precludes any serious consideration by the Fed of the need to lower interest rates and let the dollar fall, the chances of strengthening growth and revitalizing sectors like agriculture are poor.

The condition of American agriculture remains extremely vulnerable. In spite of signs that the farm recession may be abating, net farm income—in

real dollars—is predicted to decline in 1987. In fact, net farm income in real dollars has been lower in the 1980's than at any time since the beginning of the Great Depression. The farm recession has caused considerable difficulty for rural financial institutions—and driven many small businesses into bankruptcy as well.

Mr. President, I recognize that Dr. Greenspan's economic qualifications are impressive, and that he has a distinguished record of past public service. But I am deeply troubled by what I judge to be major downside risks to the stability of our domestic economy in the next several years. Dr. Greenspan genuinely inherits an economic mess—the legacy of the Reagan administration's disastrously misguided policies. Without assurance that he use his influence to chart a substantially different course, I cannot support his nomination.

Mr. KARNES. Mr. President, I rise to urge my colleagues to support the nomination of Alan Greenspan for the chairman of the Board of Governors of the Federal Reserve System. As a member of the Senate Banking Committee, I have participated in the process of reviewing Dr. Greenspan's qualifications and have seen his ability to respond in a very thoughtful and responsible manner to the many questions that the committee asked.

Observers of the Federal Reserve and its outgoing chairman regard Mr. Volcker as a man whose political and economic intuition and skill have made him the best chairman in the Fed's 74-year history. Mr. Volcker's successor, Alan Greenspan, whose political and analytical skills are formidable, is probably the best choice that could have been made to carry on the critical role of the Federal Reserve in this Nation's fight against inflation and improving economic prosperity for all Americans.

As Dr. Greenspan has said himself, Mr. Volcker will be remembered for the economic and social pain that reducing the rampant inflation required. Home builders flooded the Fed with postcards mailed to protest the harsh impact on the housing market of the highest interest rates the country had seen since the Civil War era. Farmers, anxious to buy land to take advantage of soaring land and commodity prices, complained. Businessmen went into shock when the prime lending rate at commercial banks, to which the cost of their loans were tied, reached 21.5 percent at the beginning of 1981. Now he is being credited in large part for the dramatic decline in inflation that we have had. Dr. Greenspan has publicly stated he would have made the same decision. He further stated that the long-term costs of allowing the inflation to continue would have been

far greater than the short-term costs we paid.

Mr. President, I have had the opportunity to sit down and chat with Dr. Greenspan at length in my office. We spoke of monetary policy and its effect on important industries such as agriculture, the heart of economic activity in the Midwest. I feel confident from our discussions that Dr. Greenspan will pursue policies of low inflation and steady economic growth that will benefit agriculture as well as the rest of the economy. Mr. President, I submit that Dr. Greenspan can make the difficult decisions that come before the Federal Reserve and will continue the assault against inflation that Mr. Volcker has so successfully begun.

Dr. Greenspan must prove to the financial markets that he is a worthy replacement for the outgoing Fed chairman. He will also face political pressures by those who think that he should be more accommodating during next year's Presidential campaign. In the Ford administration, Dr. Greenspan strongly supported the Fed's tight credit policies despite the deep recession those policies helped engender in 1974 and 1975. Dr. Greenspan has been an outspoken backer of Mr. Volcker, often echoing the Fed chief's warnings about the dangers of a precipitous decline in the dollar. Dr. Greenspan stated recently:

Under Paul's chairmanship, inflation has been effectively subdued. It will be up to those of us who follow him to be certain that those very hard-won gains are not lost. Assuring that will be one of my primary goals.

In a striking endorsement of Mr. Volcker's policies, Dr. Greenspan added: "There are very few people in this profession who are more impressive than he and who seem to do the right thing at the right time almost every time." Mr. Volcker has stated himself that he was "very happy" that Dr. Greenspan was going to take over the Board of Governors. Dr. Greenspan will be able to draw authority from his popularity in financial markets which is considerable. Dr. Greenspan is a man of considerable knowledge and experience and will do an excellent job in one of the most important positions in this country. Mr. President, I wholeheartedly endorse the nomination of Dr. Greenspan and look forward to the benefit of his economic knowledge and expert counsel as we proceed to address the economic issues before us.

Mr. PROXMIRE. Mr. President, I yield back the balance of my time.

Mr. BOND. Mr. President, I yield back the balance of the time on this side.

Mr. BYRD. Mr. President, there will be no further rollcall votes today after this rollcall vote.

The PRESIDING OFFICER. All time has been yielded back. The question is on the confirmation of the nomination. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Arkansas [Mr. PRYOR], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Utah [Mr. GARN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Kentucky [Mr. McCONNELL], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. HEINZ] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 91, nays 2, as follows:

[Rollcall Vote No. 225 Ex.]

YEAS—91

Adams	Gore	Murkowski
Armstrong	Graham	Nickles
Baucus	Gramm	Nunn
Bentsen	Grassley	Packwood
Bingaman	Harkin	Pell
Bond	Hatch	Pressler
Boren	Hatfield	Proxmire
Boschwitz	Hecht	Quayle
Breaux	Heflin	Reid
Bumpers	Helms	Riegle
Burdick	Hollings	Rockefeller
Byrd	Humphrey	Roth
Chafee	Inouye	Rudman
Chiles	Johnston	Sanford
Cochran	Karnes	Sarbanes
Cohen	Kassebaum	Sasser
Cranston	Kasten	Shelby
D'Amato	Kennedy	Simpson
Danforth	Kerry	Specter
Daschle	Lautenberg	Stennis
DeConcini	Leahy	Stevens
Dixon	Levin	Symms
Dodd	Lugar	Thurmond
Dole	Matsunaga	Trible
Domenici	McCain	Wallop
Durenberger	McClure	Warner
Evans	Melcher	Weicker
Exon	Metzenbaum	Wilson
Ford	Mikulski	Wirth
Fowler	Mitchell	
Glenn	Moynihan	

NAYS—2

Bradley Conrad

NOT VOTING—7

Biden	McConnell	Stafford
Garn	Pryor	
Heinz	Simon	

So the nomination was confirmed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nominee.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, if nobody else wishes to speak while the Senate is in executive session, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

ORDER OF PROCEDURE

Mr. MATSUNAGA. Mr. President, parliamentary inquiry. What is the present parliamentary situation?

The PRESIDING OFFICER. The Senate is back on S. 2.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that I may proceed as if in morning business for a period not to exceed 3 minutes.

Mr. BYRD. Mr. President, will the Senator withhold briefly until I can get some consent business done?

Mr. MATSUNAGA. I will yield to the majority leader.

Mr. BYRD. Mr. President, the following consent agreement I believe has been advanced to the point now that I might be able to present it.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate considers the conference report on H.R. 27, the Federal savings and loan recapitalization bill, there be a time limitation of 2 hours thereon, to be equally divided between Senator PROXMIRE and Senator GARN; provided further that no motion to commit the conference report be in order, either with instructions or without instructions; and provided further that at the conclusion of yielding back of the time, the Senate proceed to vote on the conference report.

Mr. THURMOND. Mr. President, we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the distinguished Senator from South Carolina.

MEASURE PLACED ON CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that when H.R. 2893, a bill to reauthorize the Fishermen's Protective Act is received in the Senate, it be placed directly on the calendar.

Mr. THURMOND. Mr. President, we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF CERTAIN PROTECTIONS UNDER THE BANKRUPTCY CODE

Mr. BYRD. Mr. President, I would inquire of the distinguished acting Republican leader, the distinguished Senator from South Carolina [Mr. THURMOND], if Calendar Order No. 280 has been cleared on his side of the aisle.

Mr. THURMOND. Mr. President, it has been cleared.

Mr. BYRD. Mr. President, I thank the acting leader.

I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 280.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 1577) to extend certain protections under Title 11 of the United States Code, the Bankruptcy Code.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1577

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 100-41 is amended by striking out "September 15, 1987" and inserting in lieu thereof "October 15, 1987".

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. THURMOND. Mr. President, I move to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I thank the distinguished Senator from South Carolina [Mr. THURMOND]. Mr. President, I thank the distinguished Senator from Hawaii [Mr. MATSUNAGA] for his courtesy in yielding.

The PRESIDING OFFICER. The Senator from Hawaii.

"HAUOLI LA HANAU," JOHN STENNIS

Mr. MATSUNAGA. Mr. President, the majority leader has noted the birthday today of our most distinguished colleague, the senior Senator from Mississippi and indeed the senior member of this body in service, age—and wisdom—JOHN CORNELIUS STENNIS, our President pro tempore!

The Senator hails from a State for which I hold great fondness. I recall the warm hospitality accorded to me and my comrades-in-arms by the people of Hattiesburg, MS, when as members of the 100th Infantry Battalion (Separate) we were stationed at nearby Camp Shelby, during the summer of 1942, shortly after the outbreak of World War II. More recently it has become home to my daughter, Diane, following her marriage to a native of Mississippi.

The Mississippi Senator's Phi Beta Kappa key is evidence of his early

wisdom which has gained increasing luster with the years. He has served the people of Mississippi as a State legislator, district attorney, judge and jurist, and, for the last 40 years, as a member of the U.S. Senate. His has been, and continues to be, a distinguished record. His wisdom is complemented by that of his constituents in continuing to return him to this august body. In the language of my native State: "Hauoli La Hanau," John Stennis. "Happy birthday!"

HAPPY BIRTHDAY TO SENATOR STENNIS

Mr. THURMOND. Mr. President, it has come to my attention that today is the birthday of Senator JOHN C. STENNIS, of Mississippi.

I have known Senator STENNIS for many years. When I was Governor of South Carolina, from 1947 to 1951, I recall that he visited our State. I believe, at the request of Senator Maybank. Senator Maybank. Senator STENNIS spoke at that time and made a very fine impression.

As the years have gone by, I have had the occasion to work with him since he has been in the Senate, and it has been a joy and a pleasure.

I might say that in the summer of 1922, he and I attended the same ROTC camp, Camp McClellan, in Alabama, the home State of the Presiding Officer (Mr. SHELBY). I did not know Senator STENNIS at that time, but I appreciate him because he did pursue ROTC and finished ROTC as a high-ranking cadet.

I do not believe he was in a war after that, but he served his country well, as chairman of the Committee on Armed Services and chairman of the Committee on Appropriations.

He is a man whom I think we could all emulate. He is a man of character, he is a man of courage, he is a man of compassion, and he has fine professional qualifications.

I congratulate Senator STENNIS upon his birthday. My suite in the Russell Office Building is next to his, and we see a lot of each other. Our staffs work closely together.

Although he is a Democrat and I am a Republican, we think very much alike. He is what you might call a conservative Democrat, and conservative Democrats are very much like Republicans. A lot of them ought to be on the Republican side—for example, even the Presiding Officer at this time.

I am proud of the friendship I have had with Senator Stennis. I am proud of the service he has rendered his country, and the Senate is better off because he has been here for these past number of years.

I hope he has many more years in the Senate, and I wish him well in all his undertakings.

APPOINTMENT TO NATIONAL COMMISSION ON INFANT MORTALITY

The PRESIDING OFFICER. The Chair, pursuant to Public Law 99-660, announces the selection, made jointly by the Senate majority leader and the Speaker of the House of Representatives, of Diane E. Watson, of California, to serve as a member at large of the National Commission on Infant Mortality.

HARTWICK COLLEGE TURNS BACK CLOCK

Mr. MOYNIHAN. Mr. President, from our hillside farm in Delaware County, we look across the Valley of the Susquehanna—still, at this point in its journey, little more than a trout stream—at the great green hills of Otsego. There stands dour Crumhorn, which Sir William Johnson characterized as a "worthless piece of land created by the Almighty for wild beasts and rattlesnakes" and one on which Timothy Murphy, the hero of Saratoga had a close encounter with a roaming band of Senecas. Off to the Southwest, however, are the gentler hills of Oneonta, on one of which will be found the beautiful red stone buildings of Hartwick College. It has been there as Hartwick Seminary since 1797, but with unusual diffidence it has until just this past Saturday been content to describe itself as having been founded in 1928. I can attest that the original vellum charter issued by the Board of Regents 131 years earlier is even now on display in the President's office, and I rejoice that after due and deliberate consideration President Philip S. Wilder, Jr. and the trustees have officially changed the date of the college's founding to 1797. Thus Hartwick enters the select group of 33 American colleges that were founded before the 19th century. Almost all, we might add, as Seminaries.

Mr. President, I ask unanimous consent to have printed in the RECORD the report of this event from this morning's Oneonta Star, and I am sure the Senate will join with me in welcoming Hartwick to the precious company of the ancient institutions of our land.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Daily Star, Oneonta, NY, Aug. 3, 1987]

HARTWICK COLLEGE TURNS BACK CLOCK TRUSTEES OFFICIALLY CHANGE DATE OF COLLEGE'S FOUNDING TO 1797

The Hartwick College Board of Trustees has adopted 1797, the year Hartwick Seminary was established, as the college's founding date, putting the college in an elite group of 33 colleges that were founded before the 19th century.

The college was actually started 131 years later, in 1928, by the seminary. But in 1947,

the seminary went out of business, leaving the heritage to the college.

Philip S. Wilder, Jr., Hartwick College president, wanted the college's founding date to show its complete ancestry. Saturday, he announced the new founding date at the annual reunion of Hartwick Seminary alumni, whose status as alumni of Hartwick College is clarified by the change in date.

"It appears that the founding date was not changed in 1947 out of solicitude for people who felt they had brought the college into being in Oneonta 20 years earlier.

"There is no longer any reason to refrain from correcting the record. The survivors of the 1928 contingent support a change," Wilder said.

"Normal procedures in the consolidation of two corporate entities call for the use by the resultant organization of the founding date of its earliest constituent part," he said.

Hartwick's ancestry was noted on a historical marker given to the college by the state Education Department in 1950, "describing the present institution as 'founded in 1797 as Hartwick Seminary, chartered as Hartwick College in 1928,'" Wilder said.

Planning has already started for the college's bicentennial in 1997, he said.

The new founding date took effect Saturday, Aug. 1.

RETIREMENT OF JAMES RESTON

Mr. MOYNIHAN. Mr. President, there cannot have been many Members of the Senate or persons active in government in Washington and elsewhere in the Nation, and indeed in capitals the world over, who failed to note with a kind of sad happiness that James Reston, at age 77, after 48 years with the New York Times, has decided it was time to get on with his vegetable garden at Flery Run, VA, and very important town meetings in Nantucket, which demand more of his attention than they have received in the past, as well as like matters, leading him to make the decision to stop writing the two or three columns a week he has written for 30 years.

It will not be by any means the end of his writing, but the end of that iron routine to which he submitted for so very long and with such great example.

In the age when I think we might say Americans still could read and still would read, there has not been a more influential pen in this capital. He was fair. He was persistent. He was incapable alike of vindictiveness or unfairness.

He was the perfect example of a profession at its height in this city, as it had not ever been before and which I will never experience again.

The story goes that President Eisenhower once asked, with the kind of asperity he could summon on occasion, "Who is this man who is telling me how to run my Government?" I think it would have been fair for those of us who have watched Mr. James Reston, watched his work, and watched the reaction of other Presidents, to say to Mr. Eisenhower: "Mr. President, he is

not telling you how to run your Government. He is telling other people how you run it"—a different and important point. It is that assessment that has mattered so much.

I know Presidents whose day was made when they found that Reston had approved what they were doing in the morning. Presidential output doubled before the day was out.

It is in that spirit that the Washington Post prints a lovely tribute, "James Reston Between Jobs," in this morning's edition, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JAMES RESTON BETWEEN JOBS

Up in New York at Brand X, James Reston published his last regular op-ed page column yesterday. Mr. Reston pointed out that he had been a reporter for the New York Times for 48 years now and has been writing two or three columns a week for the past 30. He thinks that's about enough, at least of the regular column regimen. "I'm off for a while," Mr. Reston explained—invoking all those made-to-be-dashed fantasies busy people always have about at last finding time to work on the vegetable garden—but he did say he planned to return to the paper to write "when I please." We know Mr. Reston well enough to believe, not just to hope, that the writing and reporting will continue to preempt concern for the well-being of the rutabagas. Mr. Reston is first and foremost, primarily and hopelessly a journalist. His vegetables should not get their hopes up too high.

You cannot name anyone who has had a more pronounced and pervasive effect on the national news business than Scotty Reston, an unassuming, straight-arrow one-time sportswriter. In postwar Washington, through a period of great political transformation, when the country was accepting (grudgingly in some respects) a larger international role and an expanded role for the federal government in domestic affairs, and when the role of journalism itself was being transformed, Mr. Reston was at the center of events—a hugely influential figure in establishing new terms of coverage and new standards of commentary.

He has been in enough fights over the years, and he hasn't always been victorious, or, for that matter, always right. But he has always been honorable and important, and he has always been a great worrier about the champion of the press. He worries about its standards, its obligations and its performance. He champions its right to do the job, to be there. Most notably, Mr. Reston has always been suspicious of the lazy, the flashy and the self-promoting in our business, and he tried to pass on these aversions to the large number of young journalists he more or less raised up in his day.

We could offer some more reasons, but we don't think any more are required, for expressing the hope that Scotty Reston will not stray too far or too frequently from journalism—where he belongs—into the fray with weeds and cabbage borers, which is a lost cause anyway.

The PRESIDING OFFICER (Mr. BREAU). The Senator from Iowa is recognized.

AID TO THE CONTRAS

Mr. HARKIN. Mr. President, I want to talk this afternoon about the request for aid to the Contras that will be coming our way from the White House, which I assume will come to Congress shortly after we return from the August recess.

Mr. President, we are already seeing the drums being beaten on this subject. Ads are appearing on television put on by certain right-wing groups promoting aid to the Contras. A half hour documentary will air on television soon, again paid for by private individuals and groups around the United States who support aid to the Contras. And 30-second ads are already appearing on major television stations throughout the country supporting aid to the Contras.

Aside from the Contras themselves—I will have more to say about that later—what really concerns me now, Mr. President, is the Senate procedure that will rule consideration of aid to the Contras.

Two years ago, the Senate under the Republican leadership pushed through what expedited procedures for aid to the Contras. According to this procedure, the President of the United States on this issue, aid to the Contras, controls the floor of the Senate of the United States. That is not the way the Constitution meant for it to be. Under this procedure, the President sends his request for aid to the Contras to the Senate. It is referred to committee for 15 days, at the end of which any Senator can bring that request on to the floor of the Senate, ahead of all other legislation. The Senate gets 10 hours of debate, 5 hours equally divided, and within those 10 hours all amendments must be offered, debated and disposed of. At the end of 10 hours there is an up and down vote on the aid to the Contras.

Mr. President, I think that should strike my colleagues and the American people as very odd. On an issue of such major importance as aid to the Contras, which ranks at the top with all other issues dealing with national security, especially security in the Western Hemisphere, we are limited to 10 hours of debate, 5 on each side. Furthermore, this request does not go through the normal processes of being referred to the Foreign Relations Committee so they can call witnesses to discuss about it, and the committee to amend it. Even if the Foreign Relations Committee were to vote down in committee aid to the Contras, as I said, by expedited procedures, any Senator at the end of 15 days can bring the resolution to the floor, and it then would take precedence over any other piece of legislation.

Mr. President, right now, right this very minute, the President of the United States and his advisers can tell

you within 24 hours when the vote will occur on the Senate floor on aid to the Contras.

So they control the timing of it. What is so important about that? What is important is I believe that the administration, knowing when the vote on aid to the Contras will occur, can orchestrate events in Central America to effect the outcome in Congress.

I fear that the administration can orchestrate and will orchestrate a major military engagement between the Contras and the Sandinistas. Or perhaps the Contras could provoke a border skirmish with Nicaragua that could possibly lead to an encounter with Honduran or possibly American troops. In light of the disclosures of the Select Committee on the Iran-Contra Affairs, these events cannot be ruled out of the question.

And on this point, I was very disturbed to read in Friday's Washington Times an interview with National Security Adviser Frank Carlucci. When asked about the contra issue, Mr. Carlucci is quoted as saying in the Washington Times:

The freedom fighter effort is on target, he said. "There will be results that will influence Congress when the time comes."

Because of expedited procedures, this Senate will vote on Contra aid. What does he mean when he says that there will be results that will influence Congress when the time comes? Well, what could those results be? A major Contra offensive? A border skirmish drawing in Honduran troops? A battle requiring the intervention of U.S. troops?

Right now, Mr. President, the CIA is airlifting troops to the Nicaraguan rebels. Does this mean some kind of altercation with one of our aircraft carrying CIA personnel? Does it mean drawing in some American troops that are now stationed near the Nicaraguan border?

Mr. President, I do not have any inside information about any of these examples by, I repeat, I do not rule them out of order.

We have learned from the Iran-Contra hearings that this administration was prepared to turn our Government inside out, break the law, undermine our Constitution, in order to keep the Contras alive. So I ask rhetorically: Is it possible that this same administration would use the Contras to provoke an incident to win a few votes in Congress to continue aid to the Contras? Of course, it is possible, and not only possible, I think, probable. I think the National Security Adviser, perhaps in a moment of unguarded, realistic answers to a reporter's inquiries, dropped the ball when he said that "There will be results that will influence Congress when the time comes."

Well, Mr. President, we need to proceed with caution in the next 2 months, as Congress prepares to consider the President's request for Contra assistance.

I share with the President his conclusion that our Nicaraguan policy is important both to domestic policy and to our international relations. Accordingly, Congress should give this issue the lengthy consideration it deserves.

We can debate for days and days, weeks on end, our trade policy. And it is important to us and we should have debated it at length because it is that important. We can debate all summer long campaign finance reform. There is a filibuster on right now by the Republicans to keep us from voting on defense authorization for the security of our Nation.

So we do debate things at length here that are very important to our country and they should be debated at length on the floor of the Senate. Not 10 hours. Not 5 hours on one side and 5 hours on another side.

The request for Contra aid ought to come to Congress and be considered like any other request for aid to any other country. It ought to go to the appropriate committees; it ought to be authorized, and then it ought to come to the Appropriations Committees. Under expedited procedures, we do not have that power. We do not have the normal functioning of the U.S. Senate as we do under all other legislation.

Mr. President, I would hope that our leadership will take every means possible to finally eliminate expedited procedures. It has no place in this body and it especially has no place when it concerns an issue of so much importance to the American people; we, the Senate of the United States, should not be told by the White House when the vote on this matter will occur here and how it will occur.

Well, Mr. President, because of the fact that we only have 5 hours for those of us who oppose Contra aid to debate this issue, I intend to address this week, Mr. President, a number of the issues related to the expected Presidential request. I will be taking the floor several times this week for lengthy discussions on who the Contras are, who the leadership of the Contras are, their relationships with the old Somoza government and the human rights record of the Contras. And in fact, I will use the administration's own Commission on Human Rights to show how the Contras have acted when they are dealing with the civilian population of Nicaragua.

I would hope that this would not be necessary to take the time of the Senate this week but, under expedited procedures, what else can we do? Those of us who believe that the record ought to be clear and ought to be laid out in full as to the whole

background of the Nicaraguan situation have no other course.

I think it very odd that Lieutenant Colonel North gets 2 weeks on television to give his side of the Contra story, while we get 5 hours on the floor of the Senate—5 hours, including amendments and all else.

Well, I think the issue deserves more than that and that is why, Mr. President, I will be taking the floor several times this week, as I said, to talk about the Contra issue, who they are, their human rights record. I intend to name names and lay it in the RECORD for the public to see. I do not know what the effect or influence it will have, but I believe that the public has a right to have put in the RECORD the other side of the story, a full and complete exposure of the Contras and our Contra policy; of the distortions and the duplicity of this administration for the last 6 years in dealing with the issue; of the attempts made by many people, some in this administration, many on the floor of the Senate and in the other body, to reach a peaceful solution to end the conflict in Central America and open up the political process in Nicaragua; and how these efforts have come to naught because this administration was intent on only one thing: aiding the Contras to overthrow the Government of Nicaragua.

Mr. President, expedited procedures have no place on the floor of the Senate; they have no place, especially dealing with an issue of such concern to the American people.

Mr. President, I ask unanimous consent that the text of the article appearing in the Washington Times last Friday be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CARLUCCI CITES CONTRA GAINS, COMPLAINS MEDIA IGNORE THEM

(By Jeremiah O'Leary)

The Nicaraguan resistance is scoring an increasing number of military successes over the Marxist Sandinistas, but the news media in this country are ignoring them, National Security Adviser Frank C. Carlucci said yesterday.

Nevertheless, attitudes in Congress are shifting in favor of continued military assistance to the resistance and will be further abetted by additional rebel victories, Mr. Carlucci said in an interview yesterday with editors of The Washington Times.

"The freedom fighter effort is on target," he said. "There will be results that will influence Congress when the time comes."

Meanwhile, President Reagan is expected to make an address to the nation to press his case for assistance to the resistance before he leaves Washington for a 25-day vacation in California on Aug. 13.

A senior U.S. official said the speech will be made after Congress adjourns the first week in August, but the exact date for the address and the forum for it have not been decided.

Mr. Carlucci said Mr. Reagan has made no final decision on how much money to seek from Congress.

Mr. Carlucci said Mr. Reagan intends to push the issue of aid to the Nicaraguan resistance in a series of speeches.

But he complained: "One of the problems is that we consistently seem to be speaking with two voices to the rest of the world."

"Everyone is casting an eye on congressional foreign policy as opposed to administration foreign policy," Mr. Carlucci said. "We need a bipartisan policy toward Latin America, and I think things are now moving."

"If the Sandinistas begin to get a sense of bipartisanship as opposed to a Democrats vs. Republicans policy, I think we'll begin to get results," he said.

Mr. Carlucci said Congress has a problem about making crisp, sharp decisions on foreign policy and often gets into the implementation of foreign policy instead of oversight.

But President Reagan intends to take his case to Congress, use his veto powers during the recess and "press his own foreign policy forcefully," Mr. Carlucci said.

He also recognized the impact of Lt. Col. Oliver North's testimony before the congressional Iran-Contra investigative committees.

"There is no question that Ollie North influenced public opinion in a positive manner," Mr. Carlucci said. "He had the ideal forum at the hearings. President Reagan hasn't had that kind of forum."

Mr. Carlucci said Mr. Reagan's speeches on this subject "don't get the attention they merit" in the media.

The military successes of the resistance, along with the U.S. economic boycott of Nicaragua and pressures from other Central American countries to negotiate, are "putting a squeeze on the Sandinistas," he said.

"Add to that their own economic mismanagement, and I think there is a reasonable possibility of producing the kind of internal change which people in the region think is desirable," Mr. Carlucci said.

Mr. HARKIN. Mr. President, I yield the floor.

The PRESIDING OFFICER. Does the Senator suggest the absence of a quorum?

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is noted. The clerk will please call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate mes-

sages from the President of the United States submitting sundry nominations, which were referred to the Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 1 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the Speaker had signed the following enrolled bill:

S. 1198. An act to authorize a certificate of documentation for the vessel F/V CREOLE.

The enrolled bill was subsequently signed by the President pro tempore [Mr. STENNIS].

At 5:38 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 27) to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forbearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal Home Loan Bank System.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 3, 1987, he had presented to the President of the United States the following enrolled bill:

S. 1198. An act to authorize a certificate of documentation for the vessel F/V CREOLE.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1643. A communication from the Assistant Vice President (Employee Benefits) of the Farm Credit Services, transmitting, pursuant to law, the financial reports of the Ninth Farm Credit District Retirement Plan dated December 31, 1986 and February 28, 1987; to the Committee on Governmental Affairs.

EC-1644. A communication from the Benefits and Risk Manager of the Farm Credit Banks of Louisville, transmitting, pursuant to law, the financial reports of the Farm Credit Institutions in the Fourth District Amended Retirement Plan for fiscal year 1986; to the Committee on Governmental Affairs.

EC-1645. A communication from the general counsel of the Department of the Treasury, transmitting a draft of proposed

legislation to authorize the Secretary of the Treasury to issue regulations requiring that wages and salaries of Federal employees be paid by electronic fund transfer or any other method determined by the Secretary to be in the interest of economy or effectiveness, with sufficient safeguards over the control of, and accounting for, public funds; to the Committee on Governmental Affairs.

EC-1646. A communication from the Secretary of Agriculture, transmitting, pursuant to law, notice of revisions to a Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1647. A communication from the Secretary of the United States Postal Rate Commission, transmitting, pursuant to law, the final rule entitled "Amendment to Domestic Mail Classification Schedule: Extension of Collect on Delivery Services, 1987"; to the Committee on Governmental Affairs.

EC-1648. A communication from the Chairman of the Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, the annual report of the Council under the Government in the Sunshine Act for calendar year 1986; to the Committee on Governmental Affairs.

EC-1649. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the annual report of the Office under the Freedom of Information Act for calendar year 1986; to the Committee on the Judiciary.

EC-1650. A communication from the Executive Secretary of the Federal Home Loan Bank Board, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act for calendar year 1986; to the Committee on the Judiciary.

EC-1651. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final annual funding priority—Rehabilitation Long-Term Training Program (Rehabilitation Counseling); to the Committee on Labor and Human Resources.

EC-1652. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Formula Grants to Local Educational Agencies and Tribal Schools; to the Committee on Labor and Human Resources.

EC-1653. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Education Department General Administrative Regulations; to the Committee on Labor and Human Resources.

EC-1654. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Student Support Services Program; to the Committee on Labor and Human Resources.

EC-1655. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Upward Bound Program; to the Committee on Labor and Human Resources.

EC-1656. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Talent Search Program; to the Committee on Labor and Human Resources.

EC-1657. A communication from the Director of the Office of Management and Budget transmitting, pursuant to law, certification of the necessity for apportionment of additional funds for Radio Free Europe/Radio Liberty, Inc. resulting from the lower value of the dollar in foreign currency ex-

change rates; to the Committee on Appropriations.

EC-1658. A communication from the President of the United States transmitting, pursuant to law, a request for supplemental appropriations for D.C. for fiscal year 1987; to the Committee on Appropriations.

EC-1659. A communication from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, notice of the intent of the Navy to exclude certain records from examination by the Comptroller General; to the Committee on Armed Services.

EC-1660. A communication from the Assistant Secretary of the Army transmitting, pursuant to law, a report on the emergency disposal of a suspected chemical artillery projectile at Dugway Proving Ground, UT; to the Committee on Armed Services.

EC-1661. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to implement Annex V, Regulations for the Prevention of Pollution by Garbage from Ships; to the Committee on Commerce, Science, and Transportation.

EC-1662. A communication from the Under Secretary of Commerce transmitting, pursuant to law, notice of intent to convert the weather observation function at Dulles International Airport, VA to performance under contract; to the Committee on Commerce, Science, and Transportation.

EC-1663. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to authorize appropriations under the Hazardous Materials Transportation Act of fiscal year 1988 and 1989; to the Committee on Commerce, Science and Transportation.

EC-1664. A communication from the Secretary of the Interior transmitting, pursuant to law, a report on a small reclamation project at Middle Creek Dam Rehabilitation Project, MT; to the Committee on Energy and Natural Resources.

EC-1665. A communication from the Deputy Associate Director, Minerals Management Service, transmitting, pursuant to law, a report on 25 refunds of excess oil and gas royalty payments to certain corporations; to the Committee on Energy and Natural Resources.

EC-1666. A communication from the Deputy Associate Director, Minerals Management Service, transmitting, pursuant to law, a report on 25 refunds of excess oil and gas royalty payments to certain corporations; to the Committee on Energy and Natural Resources.

EC-1667. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on the administration, impact, and cost of the Utilization and Quality Control Peer Review Organization program; to the Committee on Finance.

EC-1668. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, copies of international agreements, other than treaties, entered into by the United States within the 60 days previous to July 29, 1987; to the Committee on Foreign Relations.

EC-1669. A communication from the Director of the Office of Management Analysis, Department of the Interior, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1670. A communication from the Administrator of the Panama Canal Commis-

sion transmitting, pursuant to law, a report on 9 new Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-1671. A communication from the Acting Assistant Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1672. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-64; to the Committee on Governmental Affairs.

EC-1673. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-67; to the Committee on Governmental Affairs.

EC-1674. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-68; to the Committee on Governmental Affairs.

EC-1675. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-65; to the Committee on Governmental Affairs.

EC-1676. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-66; to the Committee on Governmental Affairs.

EC-1677. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-70; to the Committee on Governmental Affairs.

EC-1678. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-69; to the Committee on Governmental Affairs.

EC-1679. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-63; to the Committee on Governmental Affairs.

EC-1680. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-61; to the Committee on Governmental Affairs.

EC-1681. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-62; to the Committee on Governmental Affairs.

EC-1682. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-59; to the Committee on Governmental Affairs.

EC-1683. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-60; to the Committee on Governmental Affairs.

EC-1684. A communication from the Executive Director of the Federal Labor Relations Authority transmitting, pursuant to law, the Authority's 1986 Government in the Sunshine report; to the Committee on Governmental Affairs.

EC-1685. A communication from the Plan Administrator of the Farm Credit Retirement Plan Production Credit Associations' Retirement Plan, Farm Credit Banks of Jackson, transmitting, pursuant to law, the annual pension plan reports for the plan year ended December 31, 1986; to the Committee on Governmental Affairs.

EC-1686. A communication from the Assistant Secretary of the Smithsonian Institution (Administration), transmitting, pursuant to law, the annual pension plan reports of the Smithsonian Institution and the Woodrow Wilson International Center for Cheolarships, and Reading is Fundamental; to the Committee on Governmental Affairs.

EC-1687. A communication from the Acting Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the annual report of the Commission

under the Government in the Sunshine Act for calendar year 1986; to the Committee on Governmental Affairs.

EC-1688. A communication from the Acting Archivist of the United States, transmitting, pursuant to law, the annual report of the National Archives and Records Administration for fiscal year 1986; to the Committee on Governmental Affairs.

EC-1689. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1690. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1691. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1692. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1693. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1694. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1695. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1696. A communication from the Chief Immigration Judge, Executive Office for Immigration Review, Department of Justice, transmitting, pursuant to law, a report on the suspension of deportation of certain aliens under sections 244(a)(1) and 244(a)(2) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-1697. A communication from the Acting Secretary of Health and Human Services, transmitting, pursuant to law, the opinions of the Department on H.R. 1226 and S. 223; to the Committee on Labor and Human Resources.

EC-1698. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the Low Income Home Energy Assistance Program for fiscal year 1986; to the Committee on Labor and Human Resources.

EC-1699. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the International Research and Studies Program; to the Committee on Labor and Human Resources.

EC-1700. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Undergrad-

uate International Studies and Foreign Language Program; to the Committee on Labor and Human Resources.

EC-1701. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Educational Opportunity Centers Program; to the Committee on Labor and Human Resources.

EC-1702. A communication from the Secretary of Education, transmitting pursuant to law, final regulations for the Business and International Education Program; to the Committee on Labor and Human Resources.

EC-1703. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Drug Free Schools and Communities Program—Training and Demonstration Grants to Institutions of Higher Education, and Federal Activities Grants Program—General Provisions; Training and Demonstration Grants to Institutions of Higher Education; and Federal Activities Grants Program; to the Committee on Labor and Human Resources.

EC-1704. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Financial Audit—Veterans' Administration's Financial Statements for Fiscal Year 1986"; to the Committee on Veterans' Affairs.

EC-1705. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to Morocco for defense articles estimated to cost in excess of \$50 million; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-274. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Agriculture, Nutrition, and Forestry.

"HOUSE RESOLUTION No. 620

"Whereas, A recent study by the National Academy of Sciences indicates that the current method of slaughtering chickens and the federal inspection of chickens does not offer adequate protection for consumers against salmonella poisoning; and

"Whereas, According to the U.S. Department of Agriculture's own estimate, 37% of the chicken offered for sale is suspected of being contaminated with salmonella; and

"Whereas, To protect consumers, the U.S. Department of Agriculture needs to strengthen its inspection methods and procedures for chicken and to insure that the chicken slaughtering industry be further required to take the necessary steps to reduce the instances of contamination of chicken by salmonella; therefore, be it

"Resolved, by the House of Representatives of the Eighty-fifth General Assembly of the State of Illinois, That we urge the U.S. Department of Agriculture and the Congress of the United States to pass legislation and implement a plan to provide adequate inspection of chicken at the slaughter stage with random testing to detect salmonella bacteria and to establish a consumer education program on safe handling and preparation of chickens; and be it further

"Resolved, That a suitable copy of this preamble and resolution be presented to the

Secretary of the U.S. Department of Agriculture and to the Chairman of the Senate and House Agriculture Committees of the U.S. Congress.

POM-275. A resolution adopted by the Senate of the State of Alaska; to the Committee on Banking, Housing, and Urban Affairs:

"SENATE RESOLVE No. 17

"Be it resolved by the Senate:

"Whereas the state, through its royalty share of Alaska North Slope crude oil, receives approximately 6,500,000 barrels of oil per month, all of which is sent through the Trans-Alaska Pipeline; and

"Whereas the Export Administration Act of 1979 (50 U.S.C. 2401-2420) essentially prohibits the export of crude oil transported through the pipeline and requires the action of President Reagan and the United States Congress to lift the prohibition; and

"Whereas, under the Energy Policy and Conservation Act (42 U.S.C. 6212), Alaskan crude oil that does not go through the pipeline is subject to the export restrictions of 15 C.F.R. 377.6, and these restrictions can be lifted by the federal administration without Congressional action;

"Whereas the United States trade deficit in 1986 totaled \$169,800,000,000 of which \$58,600,000,000 was with Japan; \$7,100,000,000 was with Korea; \$15,700,000,000 was with Taiwan; and \$6,400,000,000 was with Hong Kong, and the deficits with Korea, Taiwan, and Hong Kong are the fastest growing trade deficits; and

"Whereas the growth of this trade deficit is attributable to ever-shrinking exports by the United States; the exports of the United States declined by nearly \$12,000,000,000 between 1984 and 1986 while imports rose by only \$1,700,000,000 during the same time period; and

"Whereas the United States exports only about \$3,600,000,000 in petroleum products, but these products are in high demand by those Pacific Rim nations with whom the United States has large and growing trade deficits; and

"Whereas the recent shipment of Canadian Beaufort Sea oil to Japan by Gulf Canada Corporation proves that seasonal transportation of Alaska North Slope crude oil to Pacific Rim markets is possible without using the pipeline; and

"Whereas a dock exists at Kuparuk that can handle oil-carrying barges that could transport the crude oil to oceangoing tankers and eliminate the need for the oil to go through the pipeline; and

"Whereas Japan's Ship Research Institute is now prepared to build a full-size model of a 200,000-ton Arctic icebreaking tanker after nine years of study and design; and

"Whereas the current glut of oil on the West Coast and the lower prices for oil worldwide have not only shut down many small stripper wells across the country but have virtually stopped all exploration and drilling of new wells; this situation will deplete United States energy reserves, which will in turn threaten national security; and

"Whereas, in March 1987, the United States Department of Energy reported to the President of the United States the results of a department study that concluded that permitting the export of Alaska North Slope crude oil would "improve the energy security of the United States"; and

"Whereas the export of Alaska's royalty share of Alaska North Slope crude oil would help ease the West Coast glut, create new

markets for Alaska oil, assist in the development of an export market for the state for other products, create conditions more conducive to increased oil exploration, and decrease the total United States trade deficit;

"Be it resolved That the Senate respectfully requests the Governor to immediately begin exploring the steps necessary to

"(1) export Alaska North Slope crude oil by water via Kuparuk to Pacific Rim and other foreign nations rather than through the Trans-Alaska Pipeline; and

"(2) obtain the approval of the President of the United States for lifting the export restrictions on the export of Alaska North Slope crude oil that is not transported through the Trans-Alaska Pipeline.

"Copies of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; the Honorable George Bush, Vice-President of the United States and President of the U.S. Senate; the Honorable George P. Shultz, Secretary of State; the Honorable James A. Baker III, Secretary of the Treasury; the Honorable Donald P. Hodel, Secretary of the Interior; the Honorable Malcolm Baldrige, Secretary of Commerce; the Honorable John S. Herrington, Secretary of Energy; the Honorable Robert Ortner, Under Secretary for Economic Affairs of the U.S. Department of Commerce; the Honorable Bruce Smart, Under Secretary for International Trade of the U.S. Department of Commerce; the Honorable Louis F. Laun, Assistant Secretary for International Economic Policy of the U.S. Department of Commerce; the Honorable Orson G. Swindle III, Assistant Secretary for Economic Development of the U.S. Department of Commerce; the Honorable Judith A. Brady, commissioner of natural resources; and the Honorable J. Anthony Smith, commissioner of commerce and economic development."

POM-276. A resolution adopted by the Executive Committee of the Republican National Party of Puerto Rico relative to the admission of Puerto Rico as a state; to the Committee on Energy and Natural Resources.

POM-277. A joint resolution adopted by the Legislature of the State of Illinois to the Committee on Energy and Natural Resources.

"HOUSE JOINT RESOLUTION No. 111

"Whereas, The United States desires to maintain its lead in high energy physics research, a position which has recently been threatened by European and Soviet discoveries; and

"Whereas, Europe and the Soviet Union are expanding their high energy physics facilities and will soon move ahead of the United States in accelerator power; and

"Whereas, The United States Department of Energy has announced it will construct a Superconducting Super Collider (SSC), which would operate at twenty times the intensity of any present accelerator, allowing scientists to explore the basic structure of matter at levels hitherto closed to human investigation; and

"Whereas, Illinois is the home of the Fermi National Accelerator Laboratory, which presently has the most powerful atomic accelerator in the world; and

"Whereas, The present Fermi facility could serve as an injector for the SSC, saving the federal government between \$350 and \$500 million in construction costs; and

"Whereas, Studies conducted by the Illinois Department of Energy and Natural Re-

sources indicate the construction of the SSC in Illinois makes economic, geological, and environmental sense; and

"Whereas, The Chicago area near the Fermi Laboratory features the research, engineering, construction, and other facilities to accommodate easily the hundreds of new scientists, technicians, and engineers needed to staff the \$4 to \$6 billion SSC project; and

"Whereas, The construction of the SSC in Illinois will create jobs for Illinois citizens and improve the economic environment of the State; and

"Whereas, The Illinois General Assembly has shown its strong support for the SSC by appropriating substantial funding for the Illinois effort to win the project and by enacting substantive legislation to acquire the land; therefore, be it

"Resolved, by the House of Representatives of the eighty-fifth General Assembly of the State of Illinois, the Senate concurring herein, That we hereby applaud the United States Department of Energy in its decision to build the SSC and further urge the Congress of the United States to authorize the construction of the Superconducting Super Collider; and be it further

"Resolved, That we urge the United States Department of Energy to give favorable consideration to locating the SSC in Illinois; and be it further

"Resolved, That suitable copies of this resolution be presented to the United States Department of Energy, the President of the United States Senate, the Speaker of the United States House of Representatives and each member of the Illinois Congressional delegation."

POM-278. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on Environment and Public Works:

"HOUSE JOINT RESOLUTION No. 73

"Whereas, Coal production is a major Illinois industry providing fifteen thousand jobs, over one billion dollars in overall economic benefit to our State and is the lifeblood of many communities; and

"Whereas, Illinois coal is a source of economical energy for millions of electric utility customers in Illinois and nearly 20 other states; and

"Whereas, In response to federal clean air act standards, Illinois has significantly reduced air pollution from coal at a cost of hundreds of millions of dollars to electric utility customers; and

"Whereas, The State of Illinois has invested over fifty million dollars in research and development projects designed to further reduce air pollution from coal; and

"Whereas, The United States House of Representatives has before it a measure which in an attempt to solve the acid rain problem could cut Illinois coal production by up to two-thirds of 1985 levels, cost 4,000 lost mining jobs and cause a \$600 million loss to the State economy; and

"Whereas, Such federal acid deposition legislation would cost Illinois utility customers millions of dollars per year without offering any meaningful support for the costs of new pollution control equipment; and

"Whereas, What we need to do is to develop more cost-effective pollution control methods, a need which is widely recognized in the United States and Canada and is the subject of the major recommendation of the recent Drew Lewis-William Davis Report; therefore, be it

"Resolved, by the House of Representatives of the eighty-fifth General Assembly of

the State of Illinois, the Senate concurring herein, That we express our feeling that federal acid legislation would levy disproportionate costs on the State of Illinois and result in job dislocation in the State; and be it further

"Resolved, That the Governor and the members of the Illinois Congressional Delegation be urged to work for meaningful federal support of new clean coal technology development which would solve the problem without economic disruption; and be it further

"Resolved, That a copy of this resolution be sent to Governor James R. Thompson, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Illinois Congressional Delegation."

POM-279. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Finance:

"HOUSE RESOLUTION No. 101

"Whereas, The House of Representatives of the State of Illinois advocates a change in the law which would correct the unbalanced system of distribution of Social Security benefits; and

"Whereas, Congress intended Social Security benefits to be roughly 50 to 60 percent of the final working year's pay for a low income worker, and about 30 percent for the worker who made the maximum salary taxable under Social Security rules; and

"Whereas, In 1972, Congress created an inflation adjustment mechanism which made the benefits too generous and would cause the system to go broke; and

"Whereas, In order to correct their mistake, in 1977 Congress devised three separate formulas for computing Social Security retirement benefits, one formula applies to people born in 1916 and earlier, the second formula applies to people born in 1922 and later and the third formula applies to people born in the five years in between, the 'notch'; and

"Whereas, Those retiring individuals who were born in the years of the 'notch' will receive benefits that are considerably less than those born before them; and

"Whereas, What is needed is a bill which would correct the 1977 overcorrection and establish a uniform formula to compensate for the extension of the Social Security system beyond its budget; and

"Whereas, People born from 1917 to 1921 receive lower Social Security retirement benefits than people with similar earnings who were born earlier, and this injustice can be corrected; therefore, be it

"Resolved, by the House of Representatives of the eighty-fifth General Assembly of the State of Illinois, That the Congress of the United States is hereby urged to find a legislative solution to correct the imbalance in the system of distribution of Social Security benefits and to ensure that the Social Security system is once again able to provide equal retirement benefits to all deserving individuals; and be it further

"Resolved, That a suitable copy of this preamble and resolution be presented, respectively, to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Illinois Congressional Delegation."

POM-280. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Finance:

"HOUSE RESOLUTION No. 361

"Whereas, The projected decline in the federal deficit which the Congressional Budget Office has published is predicated upon continuing growth in the Social Security trust fund, which is pulling in large and growing annual surpluses; and

"Whereas, By the early 1980's, the trust fund surplus is expected to reach \$70 billion; and

"Whereas, In the 1985 Balanced Budget Act, lawmakers said that Social Security trust fund surpluses would count toward reducing the deficit; and

"Whereas, By the middle decades of the next century, however, the annual trust fund surpluses will begin to decline and will turn to deficits, and, if the government has depended on them to mask an imbalance in its finances, it will then find itself overcommitted; and

"Whereas, These funds should not be used now to decrease the deficit; for taxpayers will then be stuck with a huge bill when the baby boomers retire; therefore be it

"Resolved, by the House of Representatives of the eighty-fifth General Assembly of the State of Illinois, That we urge the United States Congress not to use Social Security funds to balance the budget; and be it further

"Resolved, That a suitable copy of this preamble and resolution be presented to the Speaker of the United States House of Representatives, the President of the United States Senate, and to each member of the Illinois Congressional Delegation."

POM-281. A resolution adopted by the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Governmental Affairs:

"RESOLUTIONS MEMORIALIZING CONGRESS TO ISSUE A STAMP COMMEMORATING THE ONE HUNDRED AND NINETY-FIFTH ANNIVERSARY OF THE BIRTH OF GEORGE PEABODY

"Whereas, on February eighteenth, nineteen hundred and ninety, there will be observed the one hundred and ninety-fifth anniversary of the birth in the city of Peabody, Massachusetts, of George Peabody, the first great American Philanthropist who bestowed so much of his great wealth for the education of the poor and in general for the benefit of mankind, and who probably as much as any individual helped by his financial ability to make this country the Greatest Nation in the world; and

"Whereas, it seems fitting and proper that the name of George Peabody be immortalized forever by having a stamp issued, if possible, on February eighteenth, nineteen hundred and ninety; therefore be it

"Resolved, That the Massachusetts General Court respectfully memorializes the Congress of the United States to provide for the issuance of such a stamp; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, to the Postmaster General, to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth, to the citizens Stamp Advisory Committee, U.S. Postal Service, C/O Stamp Development Branch, 475 L'Enfant Plaza, SW., Washington, D.C. 20260."

POM-282. A resolution adopted by the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Governmental Affairs:

"RESOLUTIONS MEMORIALIZING CONGRESS TO ISSUE A STAMP COMMEMORATING SAMUEL OSGOOD AS THE FIRST POSTMASTER GENERAL OF THE UNITED STATES"

"Whereas, Samuel Osgood was a patriot, soldier, statesman and financier with roots in North Andover, Massachusetts; and

"Whereas, Samuel Osgood was named by President George Washington as the first Postmaster General of the United States; and

"Whereas, it seems fitting and proper that the name of Samuel Osgood be immortalized forever by having a commemorative stamp issued in 1989, the two hundredth anniversary of that post, or a stamp published in the regular line of stamps; therefore be it

"Resolved, That the Massachusetts House of Representatives respectfully memorializes the Congress of the United States to provide issuance of such a stamp; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, to the Postmaster General, to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth, and to the Citizens Stamp Advisory Committee, U.S. Postal Service, c/o Stamp Development Branch, 475 L'Enfant Plaza, S.W., Washington, D.C. 20260."

POM-283. A certified act of the Virginia General Assembly amending the Washington Metropolitan Area Transit Regulation Compact; to the Committee on the Judiciary.

POM-284. A concurrent resolution adopted by the Legislature of the Commonwealth of Massachusetts; to the Committee on Labor and Human Resources.

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO PERMIT THE COMMONWEALTH OF MASSACHUSETTS TO REGULATE EMPLOYEE WELFARE BENEFIT PLANS"

"Whereas, more than six hundred thousand citizens of the Commonwealth of Massachusetts lack any health insurance coverage, more than one third of whom are children, and many thousands more are seriously underinsured; and

"Whereas, the numbers of uninsured citizens pose a serious health hazard to those individuals and families, creating serious economic difficulties for the uninsured as well as for hospitals, social service providers, employers who provide health insurance, and the Commonwealth; and

"Whereas, increasing numbers of employees are now covered by employer-insured health plans which place these workers beyond any protection or regulation by the Commonwealth to ensure adequacy and quality of services; and

"Whereas, section five hundred and fourteen of the Employee Retirement Income Security Act of 1974 has been interpreted to prohibit any State government from regulating employer insured health benefit plans; and

"Whereas, since the adoption of the Employee Retirement Income Security Act Statute, the numbers of employees who are covered by employer-insured health plans has grown dramatically, estimated in the year nineteen hundred and eighty-six to be greater than forty percent of all insured workers; and

"Whereas, this prohibition has had a deleterious effect not only on access to health services but also on the quality of health services received by these workers because

of a lack of State supervision and regulation; and

"Whereas, Congress has previously granted an exemption to the State of Hawaii to permit that State to regulate all health insurance provided by employers, and as a result of that exemption, more than ninety-eight percent of all Hawaiians are covered by health insurance; and

"Whereas, on November fourth, nineteen hundred and eighty-six, more than one million Massachusetts citizens voted in favor of a non-binding resolution calling on the Congress of the United States to establish a national health service to provide adequate health care for all citizens, sixty-seven percent of those voting; now therefore be it

"Resolved, That the Massachusetts General Court calls upon the President and the Congress of the United States to provide an exemption for the Commonwealth of Massachusetts to the provisions of section five hundred and fourteen of the Employee Retirement Income Security Act of 1974 to permit the Commonwealth to regulate employer based health insurance plans; and be it further

"Resolved, That a copy of these resolutions be forwarded by the clerk of the House of Representatives to the President of the United States, the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

POM-285. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on Labor and Human Resources:

"SENATE JOINT RESOLUTION No. 49"

"Whereas, We applaud the initial action of the Congress in 1965 to create the Older Americans Act; the action in 1973 to expand it; the action in 1978 to coordinate it; the action in 1981 to streamline it; the action in 1984 and the present action in 1987 to reaffirm it; and

"Whereas, Moreover, in making this call to the Congress for action, we endorse and transmit for consideration the positions of the Illinois Council on Aging, positions developed following public hearings by the 31-member statutory body charged with this responsibility; and

"Whereas, These positions with respect to the reauthorization of the act are as follows:

"(1) to support a three-year reauthorization—October 1, 1987 through September 30, 1990;

"(2) to support statutory provisions upgrading the status of the Administration on Aging Commissioner to that of an Assistant Secretary reporting directly to the Secretary of the Department of Health and Human Services;

"(3) not to support raising the eligibility age for receiving services from 60 to 70 years;

"(4) not to support the imposition of a means test for determining eligibility for service;

"(5) not to support the consolidation of Titles III-B, III-C-1, and III-C-2;

"(6) to support statutory provisions for a 1991 White House Conference on Aging with funding for the planning thereof;

"(7) to support setting specific authorization levels for all Titles of the Act and annual funding that is increased by at least 5% above the rate of inflation; and

"(8) to support strengthening statutory provisions of the Act and regulations in all of the Titles to foster increased representa-

tion and participation in governance and in policy and program determination by minorities, with consideration of language and cultural diversity; therefore, be it

"Resolved, by the Senate of the eighty-fifth General Assembly of the State of Illinois, the House of Representatives concurring herein. That it call upon the Congress of the United States, its Senate Committee on Labor and Human Resources, and Subcommittee on Aging, its House Committee on Education and Labor and Subcommittee on Human Resources, and upon the President of the United States, to take prompt action to reauthorize the Older Americans Act as an expression of the Nation's continuing commitment to goals and objectives for assuring the well-being of the elderly; and be it further

"Resolved, That suitable copies of this preamble and resolution be presented to the President of the United States, to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the chairpersons of the aforementioned committees and subcommittees, the Secretary, Department of Health and Human Services, and to all members of the Illinois Congressional Delegation, the latter being urged to support this resolution and to enter it as testimony in the appropriate committee hearings."

POM-286. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on Veterans' Affairs:

"HOUSE JOINT RESOLUTION No. 34"

"Whereas, The term 'veteran' is presently defined by Section 10(2) of Title 38, United States Code, which reads; The term 'veteran' means a person who served in the active military, naval or air service, and who has been discharged or released therefrom under conditions other than dishonorable; and

"Whereas, historically, the term 'veteran' has been reserved for individuals who have served in the uniformed services of the nation and have taken the oath to bear arms in defense of the Republic; and

"Whereas, To be designated as a veteran is an appellation of honor properly bestowed on those who have earned it and not on anyone else; and

"Whereas, A veteran is entitled to substantial rights and benefits provided exclusively to them by the nation in recognition of service rendered in support of the national interest; and

"Whereas, A considerable number of people did serve and support the war effort during various periods of conflict, but did not serve on active duty in the military, naval or air service, and did not take the oath to bear arms; and

"Whereas, An effort is being made by some of these people to persuade the government to include them in the classification of 'veteran' with all rights and benefits appertaining thereto; and

"Whereas, By allowing the classification of 'veteran' to include such people it would diminish the significance of the honor that is attached to the honor; and

"Whereas, It is essential that the present definition of 'veteran' in Section 10(2) of title 38 be maintained; and

"Whereas, There is an attempt to turn America's wartime disabled veterans away from the VA health care they need and have earned in an attempt by the Office of Management and Budget to balance the budget; and

"Whereas, America's sickest and poorest veterans would have the door to VA health care slammed in their face if the Office of Management and Budget's cuts prevail; and

"Whereas, We are responding to the Office of Management and Budget's plan to cut \$928 million from the VA health care budget for fiscal year 1988, and their request for an immediate cut of \$160 million from VA health care for the current fiscal year, which would bring the total cut to more than \$1 billion in the near term; and

"Whereas, The proposed cut in the budget would result in the loss of more than 9,000 VA medical care jobs and a drastic curtailment of services nationwide, which would refute America's sense of duty to her wartime disabled veterans and represent a fundamental failure of the Office of Management and Budget to consider the wishes of the citizens it serves; and

"Whereas, As in the past, Congress is not going to let the Office of Management and Budget cut a billion dollars out of the VA budget, and during the 100th Congress, Congressman G. V. 'Sonny' Montgomery (D-Miss), Chairman of the House Veterans' Affairs Committee, stated 'it's as simple as that, the OMB, once again has made recommendations that ignore the express wishes of Congress, and we, in turn, have a fundamental duty in this instance to ignore OMB's recommendation'; and

"Whereas, Senator Alan Cranston (D-Calif), who is Montgomery's counterpart in the Senate, said, 'OMB seems determined to submit a fiscal 1988 budget that is just as outrageously bad and unfair to veterans as the Administration's fiscal 1987 budget was' and that budget was soundly defeated by Congress, with proposed deep cuts in a variety of VA services restored by both the House and Senate; and

"Whereas, Thomas K. Turnage, VA Administrator, appealed the Office of Management and Budget's plan, and he noted that such cuts 'would seriously damage the VA's ability to meet its mission';

"Whereas, The budget recommendations reflect the Office of Management and Budget's continuing contempt for America's disabled veterans; and

"Whereas, Most recently the Office of Management and Budget rejected VA plans to pay profoundly deaf veterans disability compensation commensurate with their loss of hearing and even though VA officials and the Congress both agree a serious disparity exists in the compensation paid this category of vets, the Office of Management and Budget flatly rejected it; and

"Whereas, The federal funds involved in compensating the deaf veterans were small, but the impact would have been great on this small number of disabled vets, who have also earned the right to lead quality lives; and

"Whereas, All the veterans organizations are united in their opposition to civilians being granted veterans status, and also to any and all proposed budget cuts affecting the disabled veteran; therefore, be it

Resolved by the House of Representatives of the eighty-fifth general assembly of the State of Illinois, the Senate concurring herein, 'That we oppose the efforts of any person or groups of persons to acquire designation as 'veterans' on the basis of service rendered to the United States during a period of war or armed conflict, such service not having been rendered in the active military, naval or air service of the United States; and be it further

Resolved, That a suitable copy of this preamble and resolution be presented to

President Ronald Reagan, the President Pro Tempore of the Senate, the Speaker of the House of Representatives and to each member of the Illinois delegation to the United States Congress."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment:

S. 1441. A bill to reduce the incidence of infant mortality (Rept. No. 100-137).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 1485. A bill to amend the Federal Aviation Act of 1958 to provide various protections for passengers traveling by aircraft, and for other purposes (Rept. No. 100-138).

By Mr. MOYNIHAN, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 1550. A bill to complete the Federal Triangle in the District of Columbia, to construct a public building to provide Federal office space and space for an international cultural and trade center, and for other purposes (Rept. No. 100-139).

FEDERAL TRIANGLE DEVELOPMENT ACT

Mr. MOYNIHAN. Mr. President, on Wednesday last, the Committee on Environment and Public Works took up S. 1550, as reported to it from the Subcommittee on Water Resources, Transportation, and Infrastructure.

This bill is entitled the "Federal Triangle Development Act" and it provides for the construction of a public building complex at 14th Street between Constitution and Pennsylvania Avenues that will mark the completion of the 25-year program for the redevelopment and reconstruction of Pennsylvania Avenue, the avenue of the Presidents, the great thoroughfare that leads symbolically from the Capitol building here to the White House building there. This was a thought that came to President Kennedy's mind as he drove down in the Inaugural Parade on January 20, 1961, which he thereafter turned over to the Secretary of Labor, for whom this Senator had the opportunity to serve as an assistant at the time.

Mr. President, the report which I will now send to the desk gives in great detail the project that we now propose. I simply make the important point for the purposes of the committee that in this new building, which will be the largest office complex in Washington, two-thirds the size of the Pentagon itself and accordingly the second largest of the Federal buildings, that in one great stretch of imagination and enterprise we will take the Treasury Department from 38 buildings to 4 in the city of Washington; we will take the Justice Department from 26 buildings to 3; and the State Department from 16 buildings to 3. We will put up an extraordinary monumental building, worthy of

this site, the last site remaining on Pennsylvania Avenue. It will cost no Federal funds to build. Instead, after 30 years of renting, our lease payments will pay for the construction. We will then own the building as we now own the site. We will end by having saved the Treasury a third of a billion dollars.

Mr. President, the Committee on Environment and Public Works is understandably seen as a place where moneys are spent as indeed they ought to be. Public works are an honorable and necessary activity.

But our particular committee has for some 10 years now—I would like to mention Senator BURDICK and Senator STAFFORD in particular—watched the gradual escalation of our rent bills as a Government.

We stopped building buildings such as we had been in the 1960's and have simply been renting them ever since. It always looks better in this year's budget to rent the building rather than to own the building. We reached the point from where rent bills have gone from \$400 million annually in 1970 to \$1.6 billion today, and we are heading for \$2 billion.

Mr. President, for the first time we have been successful in turning this around and setting an example of how we may proceed in the future. Here on Pennsylvania Avenue is as visible and viable an example of what we have in mind as you could hope for. We will save the Treasury a third of a billion dollars.

If there is anyone who can note when this has last happened in this body, I should be very much interested to hear.

Mr. President, for the record, I would like to state this is a committee substitute for S. 1550 and that I submit the committee substitute for myself, Mr. BURDICK, Mr. MITCHELL, Mr. LAUTENBERG, Mr. BREAUX, Mr. REID, Mr. GRAHAM, Mr. STAFFORD, Mr. DURENBERGER, and Mr. WARNER; and that, finally, to note that the bill was reported without a dissenting vote from the committee on which the distinguished Presiding Officer is such a welcome addition. It was reported by a rollcall vote of 15 to zero.

Mr. President, I ask unanimous consent that a statement on the major provisions of the reported bill be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

This bill brings to completion—we would dare to say triumphant completion—twenty-five years of the redevelopment of Pennsylvania Avenue which was ordered by President John F. Kennedy on June 1, 1962. It brings to completion, also, the construction of the Federal Triangle as provided in the Public Buildings Act of 1926, signed by

President Coolidge and undertaken by then Secretary of the Treasury, Andrew Mellon.

The circumstances of President Kennedy's great directive ought to be recorded. At a meeting of the Cabinet on August 4, 1961, there was a pause in the discussion of foreign policy and talk turned to the second most important of all issues in government, which is to say office space. In truth the matter was pressing. Work on Mellon's Federal Triangle simply stopped with the Depression. Somehow the great New Deal public works projects barely touched Washington. The war ended any such activity, save for the construction of the Pentagon. The postwar period was taken up with reconstructing the cities of Europe and suchlike, but Washington remained neglected, and commenced to be run down. From the point of view of simple efficiency, departments grew ever more difficult to manage as bureaus spilled over into ever more haphazard temporary quarters. Worse yet, as with most postwar cities, Washington was striving to move away from its old "downtown", heading for the suburbs. The area between the capitol and the White House was becoming a slum.

Riding down Pennsylvania Avenue in his Inaugural Parade President Kennedy noted this, and later the same day mentioned it to his energetic and innovative Secretary of Labor Arthur J. Goldberg. At the August cabinet meeting it was decided to set up an Ad Hoc Committee on Federal Office space, with Secretary Goldberg as Chairman. (Labor was high on any list for a new building; besides, Goldberg saw the assignment as an opportunity both to press for the redevelopment of Pennsylvania Avenue, and to bring modernity to Federal architecture. At this time it had been roughly half a century since the Federal government had last built what could be called a contemporary building, and even these were derivative in the beaux arts tradition.)

With the new Chairman of the Subcommittee on Water Resources, Transportation, and Infrastructure serving as secretary, and with the special encouragement of the President's great friend, William Walton, and the watchful assistance of Fred Holborn on the White House staff, the Ad Hoc Committee set to work. Its report to the President submitted on May 23, 1962, contained a ten year building program and two special sections, The Redevelopment of Pennsylvania Avenue, and Guiding Principles for Federal Architecture. (It should be noted that the Guiding Principles are still in effect, and are of course nationwide in their application.)

THE REDEVELOPMENT OF PENNSYLVANIA AVENUE

One of the distinctive features of the American Republic is that from the earliest days the Nation's capital has been located in an area set apart for that special purpose. No one visiting Washington can fail to recognize that the Government established here in the 18th Century was something new in the world, and that the men who created it were fully conscious of the great enterprise on which they had embarked.

The plans for the City of Washington, as drawn for the first President by Major Charles Pierre L'Enfant, began with the location of the principal buildings of the new Government and the great avenues that would connect them. The grand axis of the city, as of the Nation, was Pennsylvania Avenue leading from the Capitol to the White House, symbolizing at once the separation of powers and the fundamental unity in the American Government.

Just as the new Government was not founded on small aspirations, neither did Washington or L'Enfant make any little plans. The city they conceived was not intended to be completed in the life of one administration, or one generation. They designed the Capital of a great nation: building it would become the work of that nation.

Scarcely a generation in our history has not contributed to this work. The appearance of the Nation's Capital has been a matter of continued concern to Congress and to successive administrations. Down through the years, despite some lapses, those responsible have been essentially faithful to the original vision of Washington and his inspired city planner.

The modern era began with the report of the McMillan Commission at the beginning of the Century, which reiterated the essential principles of the L'Enfant scheme. The Commission plans called for the construction of the Mall, the Lincoln Memorial, the Arlington Bridge, and for a general development of public buildings in the area between the Capitol and the White House.

The most recent major development in the Capital took place under President Hoover and Secretary of the Treasury Andrew Mellon who conceived the great Federal Triangle. This spacious and dignified complex of office structures occupies the area formed by Constitution Avenue, Fourteenth Street and Pennsylvania Avenue. As a result, all of the space on the south side of Pennsylvania Avenue between the Capitol and the White House is occupied by public buildings.

It was clear to the planners of the 1920's that the south side of Pennsylvania Avenue could not be developed while neglecting the north side. To develop one without the other would produce an imbalance wholly at odds with the spirit of L'Enfant. Accordingly, the plans for the Federal Triangle were accompanied by plans for a Municipal Center on the north side of the Avenue extending from Third Street to Sixth Street, with John Marshall place at the center. The architecture of the Municipal buildings was to follow closely that of the Federal structures opposite.

Andrew Mellon expressed with great feeling the harmony of the scene he hoped to create—

"It is easy to see what the effect will be. As one proceeds down Pennsylvania Avenue toward the Capitol, on the south side will be a succession of beautiful and harmonious buildings, all of a design in keeping with the semiclassical tradition so well established in Washington. On the north side, such as the beautiful District of Columbia Courthouse, on John Marshall Place, shall be brought into the general plan of Pennsylvania Avenue. At the same time the Mall will present the spectacle of a great park bordered on one side by the new boulevard with beautiful buildings, a wide parkway of greensward with its four rows of trees, its drives and walks, statues, and reflecting pools, all arranged in such a way that long vistas will be opened up for views of the Capitol in one direction and of the Washington Monument and Lincoln Memorial in the other."

The plans for Pennsylvania Avenue were never fulfilled. The great depression prevented the completion of the facade of the Federal buildings (while the Main Court of the Triangle was left to become a parking lot of surpassing ugliness.) For various reasons, only about half the Municipal Center was constructed.

The result of the failure to fulfill this grand concept has been lamentable disharmony. On the south side of the Avenue the stately progression of Federal offices designed under Andrew Mellon is twice interrupted by earlier structures of a quite different character. The north side presents a scene of desolation; block after block of decayed nineteenth century buildings, many of which are vacant above the first story, only rarely interspersed by partially successful efforts at modernization. The roadway, sidewalks, lamp posts and other features of the avenue have been sorely neglected. Increasingly the Capitol itself is cut off from the most developed part of the city by a blighted area that is unsightly by day and empty by night.

Pennsylvania Avenue should be the great thoroughfare of the City of Washington. Instead it remains a vast, unformed, cluttered expanse at the heart of the Nation's Capital.

The present appearance of Pennsylvania Avenue demands attention for the precise reason that profound changes are about to take place. Large segments on the north side are decayed beyond restoration. It is clear that a great many of the buildings are about to be torn down and replaced by new structures which will include both private and public buildings.

This presents a great opportunity. From Washington's time there has been a general understanding that the Federal Government has a responsibility to maintain standards of buildings and architecture in the Nation's Capital. For the past half century this function has been ably performed by the Commission of Fine Arts. The prospect that a considerable number of buildings will be erected along Pennsylvania Avenue in a short span of time makes it possible to consider the overall appearance, as well as the appearance of the individual structures. Instead of designing and constructing one new building at a time, it becomes possible to design and construct what would, in effect, be a new avenue.

This is an opportunity not to be missed. It will not come again for a half century or more, except at the prohibitive cost of demolishing large blocks of new and expensive office buildings.

At the same time it is clear that a dramatic transformation in the appearance of Pennsylvania Avenue is possible with only a marginal increase in projected expenditure. The General Services Administration hopes to build a number of new buildings in the downtown area. The need for additional office space is such that it cannot be doubted that Congress will approve. There are equally good grounds to suppose that substantial private capital will be expended for hotels and office buildings in the downtown area. (It may be noted that Washington attracts over 15,000,000 visitors a year.) Merely by combining these separate endeavors in one construction program a totality far more handsome, more truly functional, and more soundly economical may be achieved.

The committee feels there should be no delay in setting up this effort. Specifically, the Federal Government, in cooperation with the District government, should formally undertake the redevelopment of Pennsylvania Avenue, so that it may assume its rightful place as the principal thoroughfare of the Nation's Capital.

The Pennsylvania Avenue project should be regarded as a continuation of the work on the Federal Triangle which began a gen-

eration ago. In this instance, however, the effort should involve a partnership between the Government and private enterprise. A primary object of the redevelopment of the Avenue should be to emphasize the role of the Capitol itself as the center of the city. For this reason care should be taken not to line the north side with a solid block of public and private office buildings which close down completely at night and on weekends leaving the Capitol more isolated than ever. Pennsylvania Avenue should be lively, friendly and inviting, as well as dignified and impressive.

As much attention should be paid to the 160-foot wide Avenue itself as to the buildings that line it. Much repairing and rearranging is in order. The object should be to produce an Avenue on which it is pleasant to walk as well as possible to drive. Benches, arcades, sculpture, plantings and fountains should be encouraged.

In 1952, by Act of Congress, the National Capital Planning Commission was created and designated as "the central planning agency for the Federal and District Governments to plan the appropriate and orderly development and redevelopment of the National Capital and the conservation of the important natural and historical features thereof." It is clear that the central responsibility for planning the redevelopment of Pennsylvania Avenue resides with this Commission. To fulfill this responsibility it will be necessary for the Commission to engage the services of a number of the foremost architects of the Nation: nothing less than the very finest, established talents available will be sufficient for this unusually significant undertaking.

Responsibility for the design and construction of new Federal buildings will, of course, remain with the General Services Administration, which should play a major role in the entire program. The Planning Commission will also wish to work in the closest cooperation with the Architect of the Capitol and the Commission of Fine Arts. They will also wish to work with the National Capital Transportation Agency, the Federal City Council, Downtown Progress, the American Institute of Architects and the numerous other public and private organizations that will be concerned with this splendid challenge to the creative talents of all those concerned with the beauty and majesty of the Capital City of the United States of America.

GUIDING PRINCIPLES FOR FEDERAL ARCHITECTURE

In the course of its consideration of the general subject of Federal office space, the committee has given some thought to the need for a set of principles which will guide the Government in the choice of design for Federal buildings. The committee takes it to be a matter of general understanding that the economy and suitability of Federal office space derives directly from the architectural design and the belief that good design is optional, or on some way separate from the question of the provision of office space itself; does not bear scrutiny, and in fact invites the least efficient use of public money.

The design of Federal office buildings, particularly those to be located in the nation's capital, must meet a two-fold requirement. First, it must provide efficient and economical facilities for the use of Government agencies. Second, it must provide visual testimony to the dignity, enterprise, vigor and stability of the American Government.

It should be our object to meet the test of Pericles' evocation to the Athenians, which the President commended to the Massachusetts legislature in his address of January 9, 1961: "We do not imitate—for we are a model to others."

The committee is also of the opinion that the Federal Government, no less than other public and private organizations concerned with the construction of new buildings, should take advantage of the increasingly fruitful collaboration between architecture and the fine arts.

With these objectives in view, the committee recommends a three point architectural policy for the Federal Government.

1. The policy shall be to provide requisite and adequate facilities in an architectural style and form which is distinguished and which will reflect the dignity, enterprise, vigor, and stability of the American National Government. Major emphasis should be placed on the choice of designs that embody the finest contemporary American architectural thought. Specific attention should be paid to the possibilities of incorporating into such designs qualities which reflect the regional architectural traditions of that part of the Nation in which buildings are located. Where appropriate, fine art should be incorporated in the designs, with emphasis on the work of living American artists. Designs shall adhere to sound construction practice and utilize materials, methods and equipment of proven dependability. Buildings shall be economical to build, operate and maintain, and should be accessible to the handicapped.

2. The development of an official style must be avoided. Design must flow from the architectural profession to the Government, and not vice versa. The Government should be willing to pay some additional cost to avoid excessive uniformity in design of Federal buildings. Competitions for the design of Federal buildings may be held where appropriate. The advice of distinguished architects ought to, as a rule, be sought prior to the award of important design contracts.

3. The choice and development of the building site should be considered the first step of the design process. This choice should be made in cooperation with local agencies. Special attention should be paid to the general ensemble of streets and public places of which federal buildings will form a part. Where possible, buildings should be located so as to permit a generous development of landscape.

President Kennedy approved the Report and on June 1, 1962, issued this directive, as taken from his Presidential Papers.

MEMORANDUM CONCERNING IMPROVEMENTS IN FEDERAL OFFICE SPACE AND THE REDEVELOPMENT OF PENNSYLVANIA AVENUE, JUNE 1, 1962

Memorandum for: The Secretary of Commerce; the Secretary of Labor; the Director, Bureau of the Budget; the Administrator of General Services Administration; the Special Assistant to the President for Cabinet and Departmental Relations; the Chairman, National Capital Planning Commission.

I have reviewed the report of the Ad Hoc Committee on Federal Office Space. This report provides a long-needed perspective on Federal office space problems and prospects in the Washington, D.C. metropolitan area.

I am requesting each department and agency head to give immediate study to the report and take appropriate action. Future planning for the acquisition and use of

office space is to be guided by the findings and recommendations of this report.

I will appreciate a progress report one year from now by the Administrator of General Services with regard to Federal office space and the adoption of improved architectural standards. I should like a similar report on progress from the Chairman of the National Capital Planning Commission with regard to the improvement of Pennsylvania Avenue.

JOHN F. KENNEDY.

Note: At a cabinet meeting on August 4, 1961, the President directed that a survey be made of the Governments immediate and long-term space needs, with particular reference to the Greater Washington area. An ad hoc committee was established consisting of the Secretaries of Commerce and Labor, the Director of the Bureau of the Budget, the Administrator of General Services, and the Special Assistant to the President for Cabinet and Departmental Relations.

In reporting to the President, on May 23, the Committee pointed out that the problem of office space in the District of Columbia area was acute and that with each succeeding year the needs increased. The report noted that the steady growth of personnel in the area, combined with a low level of public building construction had produced a haphazard pattern of space procurement and continued reliance on temporary and obsolete buildings, some of which dated from World War I. The Committee recommended a 10-year plan providing for a minimum of 12 new Federal buildings, together with the elimination of existing temporary and obsolete Government-owned buildings. The design of the new buildings, the Committee emphasized, should provide efficient and economical facilities for the use of Government agencies, and should provide visual testimony to the dignity, enterprise, vigor, and stability of the American Government.

The Committee further recommended that immediate attention be given to improving the appearance of Pennsylvania Avenue. It noted that "the north side presents a scene of desolation; block after block of decayed nineteenth century buildings, many of which are vacant above the first story, only rarely interspersed by partially successful efforts at modernization." The Capitol, it pointed out, is increasingly cut off from the most developed part of the city by a blighted area that is unsightly by day and empty by night. The report stated that a great many of the buildings were soon to be torn down and replaced by new structures, both private and public, and that this presented an opportunity for a dramatic transformation in the appearance of the Avenue, with only a marginal increase in projected expenditures. "As conceived by L'Enfant," the Committee stated, "the 'grand axis' of the City of Washington was to be Pennsylvania Avenue from the Capitol to the White House, expressing symbolically both the separation of powers and the essential unity in the American form of Government."

The report concluded with the recommendation that central responsibility for planning the redevelopment of the Avenue should reside with the National Capital Planning Commission; for the design and construction of the new Federal buildings, with the General Services Administration.

Next the great American architect and impresario Nathaniel Alexander Owings was asked to chair a committee of architects, de-

signers, and planners to develop a plan. This took another year, but was ready in the fall of 1963. Again the young President was moved by a vision of the City that had stirred Washington and Jefferson, if few of his predecessors in between. The last instruction President Kennedy gave before leaving for Dallas on November 21, was that on his return a coffee hour should be arranged at which he might show the model of the Pennsylvania Avenue plan to the Congressional leaders.

This meeting was being planned at a luncheon in Mr. Walton's house attended by him, the Chairman of our Subcommittee, and Honorable Charles A. Horsky, the President's Advisor for National Capital Affairs, when the White House operator phoned to report that the President had been shot.

There thus devolved on others the task and the dream the young President had embraced. It has taken a quarter century, but it is now done, or soon will be. One by one the projects have been put in place. They have not been uniformly successful, and they are anything but uniform, but they have saved the great avenue. The fine new Canadian Embassy is rising at the foot of Capitol Hill, its pillars echoing those of the Federal Trade Commission and the National Gallery. Across the Avenue I.M. Pei's masterful East Building seems now to have been there from the beginning. The Frances Perkins Department of Labor Building sits astride the sunken Interstate route 395, leading to the Reflecting Pool which was built with the savings that came from not bending the tunnel to accommodate three old cottonwood trees beloved of a then Senior Senator. The Meade Memorial is splendidly out of place just up the Avenue. Market Square, leading the L'Enfant's great transverse, is now being transformed into the Navy Memorial, while 8th Street is half on its way to becoming a pedestrian mall. The semi-derelict Pension Office of a quarter century back is now the vibrant National Portrait Gallery and National Museum of American Art. The Committee has provided for the restoration of the original Post Office Building on the west side of 8th Street. At 9th Street we come upon the massive FBI building which J. Edgar Hoover moved back fifty feet to allow for the Avenue's plan. Then we come upon the magnificently restored Old Post Office. One of the first decisions of President Kennedy's committee was not to tear down the Post Office as the Federal Triangle plan would have done. The purpose was to keep access to the magnificent platform in the tower which gives the finest view of Washington to be had anywhere. In the intervening quarter century we have learned to recycle buildings, and now the Post Office interior is alive with restaurants and shops. A similar happy fate awaited the old Pension Building, now the National Building Museum. All along the way buildings have been recycled, notably the old Apex Liquor building as it was known, now a corporate headquarters. Just outside is the restored Temperance Fountain dedicated in the minds of many to Nathaniel Alexander Owings. The Washington Star Building is being redone, and next to it is the first building in which private owners voluntarily followed the "set back" scheme for a plante sidewalk. Western Plaza, with fair success, faces the equally modest achievement of the Marriott Hotel. But at 14th Street we come upon glory indeed with the reopened Willard Hotel, in ways the queen of the Avenue. The redone

National Press Building is a great success, and a good case for not tearing things down too quickly. Pershing Square is a triumph. And now we shall have the International Cultural and Trade Center on 14th Street. It will be the City's largest—and let us hope one of its best designed—buildings on the site of what the Ad Hoc Committee described in 1962 as "a parking lot of surpassing ugliness." It is what he hoped would be done. It has been worth doing.

After a quarter century I believe our work is done and respectfully ask to be relieved. Before concluding, however, I wish to express special appreciation to Honorable Harry C. McPherson, Jr., who, as Counsel to President Johnson ensured that this enterprise was not lost in the difficult days that followed the death of President Kennedy, and also to President Richard M. Nixon who determined that it would indeed go forward. It is especially satisfying that we have ended up not merely saving the center of Washington, but saving almost a third of a trillion dollars in rent money as well.

It paid for itself!

SUMMARY OF MAJOR PROVISIONS

This bill authorizes development of a federal office complex and international cultural and trade center on the federal triangle site at 14th St. and Pennsylvania Avenue N.W. The building will be built on a "lease-to-own" plan, whereby the federal government's lease payments over a thirty year lease term will pay for the cost of constructing the building. At the end of thirty years, the federal government will own the building in fee simple—no payments in addition to the rent over the thirty years will be necessary. This method of financing will save the Federal Government \$281 million—almost a third of a billion—over the thirty year lease.

The primary agencies involved in planning and building this center will be the General Services Administration (GSA), Pennsylvania Avenue Development Corporation (Corporation) and a Presidential Commission, the International Cultural and Trade Center Commission (Commission). The Departments of State, National Capital Planning Commission and Commission of Fine Arts will have advisory roles. The bill mandates specific roles for these entities to ensure that the complex is of monumental quality, appropriate to the distinguished setting of the federal triangle.

Members of the Committee have long been concerned over escalating rents which the federal government pays for leased space. At the end of the lease term, often the landlord dramatically increases the rent to the federal government, which is somewhat of a "captive" tenant. The government must choose between this higher rent and a costly move to perhaps equally expensive or less desirably located space elsewhere.

Rents for the federal government in the National Capital region have increased by 30 percent over the last two years alone. The annual federal government's rental bill is about \$1.4 billion currently, up from about \$400 million in 1970. Without decisive action by Congress, the federal rental bill will reach \$2 billion annually by the end of the century. Within the next 10 years, 95 percent of the federal office leases will come up for renewal.

In the 1960's, the federal government stopped constructing buildings, partly over concern about annual spending. In the short run, it appeared less expensive to appropriate funds for an annual lease payment, than to appropriate the entire cost of construct-

ing a building up front. Now, however, the federal government is paying for this "creative accounting," as the statistics cited demonstrate. The Committee believes that the federal government once again must start to build office buildings, to ensure that the government not be at the mercy of escalating rents, and to guarantee that safe, comfortable working environments are provided to federal employees. The Committee intends that the international cultural and trade center be a model for future projects of this kind.

GSA's current housing plan calls for the Justice Department, the Securities and Exchange Commission, the Treasury, and State Departments to occupy the federal office portion of the complex. This project and other actions in the District will permit major consolidations of Treasury, Justice and State.

Treasury from 38 buildings to 4.

Justice from 26 buildings to 3.

State from 16 buildings to 3.

The benefits from these consolidations will include increased efficiency and decreased need for transportation of employees from location to location.

Next to the Pentagon, which has 3.8 million occupiable square feet, this will be the second largest federal building in the nation, and the largest building in the District of Columbia. According to GSA's estimates, this building will provide about 1.9 million occupiable square feet; 1.4 million square feet for the federal uses, and 500,000 square feet for the International Cultural and Trade Center (ICTC).

The ICTC will house foreign missions, international, state and local agencies concerned with trade, and government sponsored organizations supporting cultural exchanges. The ICTC Commission will determine appropriate tenants and uses for the center, in conjunction with the State Department and GSA Administrator.

At the hearing on this matter held May 1, 1987, the Committee received enthusiastic support for the center from representatives of the State Department, Commerce Department, U.S. Information Agency, diplomatic community, the Mayor of Washington, D.C., and the Federal City Council. The Committee believes that the center, if properly leased and operated, will enhance opportunities for American trade, commerce, communications, and cultural exchanges, and thus complement the work of Federal, State and Local agencies in the areas of international trade and cultural activities.

The House Public Works and Transportation Committee, led by Chairman James J. Howard and Subcommittee Chairman Fofi I.F. Sunia, and ranking minority Members, Representatives John Paul Hammerschmidt and Guy v. Molinari, held a hearing on this proposal July 22, 1987. Chairman Howard hopes to pass the Senate bill expeditiously once it is received from the Senate. The Committee on Environment and Public Works appreciates this cooperation on this important undertaking.

SAVINGS TO THE FEDERAL GOVERNMENT

This method of financing will save the Federal Government \$281 million—almost a third of a billion—over the thirty year lease. According to GSA, the total construction cost for the building will be \$362 million. The cost of the lease for the federal office portion of the complex to GSA will be \$38 million/year. Comparable space in the private market would cost \$50 million/year, according to GSA. When the building is ready

for occupancy in 1993, this lease cost for the federal office portion computes to \$27.00 per square foot. The comparable cost in the private market would be \$35.00 per square foot. These figures reflect GSA's assumption of 1.4 million occupiable square feet of federal office space.

For the ICTC portion of the lease, the cost will be \$15.2 million per year. This is equivalent to \$30.00 per square foot, slightly more than the federal office portion, due to special features of the space suitable for exhibits, displays, meetings, and security measures.

Mr. WARNER. Mr. President, I am pleased to cosponsor S. 1559, completing the complex of Federal buildings at the Federal Triangle over which Chairman MOYNIHAN has labored so carefully.

I have had a longstanding interest in seeing this historical location used for a valuable public purpose.

The Public Buildings Act gave the Treasury Department under the guidance of the supervising architect the responsibility for developing the Federal Triangle.

In 1921, Secretary of the Treasury, Andrew Mellon, envisioned a complex of Federal buildings at this location. I am pleased that this legislation will recognize Ambassador Mellon's leadership in this effort by dedicating the historic auditorium as the "Andrew Mellon Auditorium."

Within that decade the area became the home of what is now the Federal Trade Commission, the Justice Department, Commerce Department, and others. For over 50 years the Congress has languished over various proposals to complete the Federal Triangle. Yet, today, this space is still used as a parking lot.

I commend the chairman for the creative financing plan proposed in the bill. Each year the Federal Government's lease payment will be contributed toward the cost of constructing the building and at the end of the 30-year-lease period the Federal Government will hold the sole title to the building. This approach is the beginning of freeing the Federal Government from the enormous rents we are obliged to pay to house our Federal workers.

For the American public, the International Cultural and Trade Center will provide a centralized passport and visa location. This will be a vast improvement over the current confusion the traveling public is put through to get a passport or visa.

I commend the Senator for diligent pursuit of this proposal and I am pleased to join as a copponsor of S. 1550.

By Mr. INOUE, from the Select Committee on Indian Affairs, with amendments:

S. 887: A bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes (Rept. No. 100-140).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WEICKER:

S. 1581. A bill to prohibit the importation of objects from the R.M.S. Titanic; considered and passed.

By Mr. WILSON (for himself and Mr. McCAIN):

S. 1582. A bill to amend section 1876 of the Social Security Act to protect medicare beneficiaries enrolled in an eligible organization with a risk-sharing contract under such section against certain practices; to the Committee on Finance.

By Mr. GORE:

S. 1583. A bill for the relief of Maria Antonieta Heird; to the Committee on the Judiciary.

By Mr. REID:

S. 1584. A bill to assure compliance with the National Environmental Policy Act of 1969, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CHAFFEE (for himself and Mr. STAFFORD):

S. 1585. A bill to provide financial assistance to local educational agencies to improve the educational opportunities of the Nation's children and adults by integrating early childhood education and adult education for parents into a unified program to be referred to as "Even Start"; to the Committee on Labor and Human Resources.

By Mr. KERRY (for himself, Mr. WEICKER, Mr. STAFFORD, Mr. KENNEDY, Mr. SIMON, and Mr. METZENBAUM):

S. 1586. A bill to provide financial assistance under the Education of the Handicapped Act to assist severely handicapped infants, children, and youth to improve their educational opportunities through the use of assistive device resource centers, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. D'AMATO:

S. 1587. A bill to authorize the minting of commemorative coins to support the training of American athletes participating in the 1988 Olympic Games; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself and Mr. COHEN):

S. Res. 267. A resolution to express the sense of the Senate that Rachel Carson is recognized on the twenty-fifth anniversary of her book "Silent Spring," for her outstanding contributions to public awareness and understanding of environmental issues; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WILSON (for himself and Mr. McCAIN):

S. 1582. A bill to amend section 1876 of the Social Security Act to protect Medicare beneficiaries enrolled in an eligible organization with a risk-sharing

contract under such section against certain practices; to the Committee on Finance.

PROTECTING BENEFITS OF CERTAIN MEDICARE RECIPIENTS

Mr. WILSON. Mr. President, health maintenance organizations, or HMO's, are a new health care option for most older Americans. Although authority was given in the 1982 Tax Equity and Fiscal Responsibility Act for the Federal Government to contract with federally qualified health maintenance organization's and competitive medical plans [CMP's] it wasn't until 1985 that the office of prepaid health plans began to contract directly with HMO's for the care of Medicare beneficiaries. As a result, many HMO's have only recently become involved in the Medicare Risk-Sharing Program.

I have encouraged their growth because they are a cost-effective means of providing more health services than are usually covered under the traditional Medicare system plus supplemental insurance. Currently, the Health Care Financing Administration [HCFA] contracts with 156 HMO's and CMP's in 34 States. To date, these plans have enrolled nearly 937,000 Medicare consumers or approximately 3 percent of the 31 million Medicare beneficiaries.

I want to commend the administration for its efforts in developing and promoting competition through consumer choice, thus making available to beneficiaries the same options in health care delivery systems as are available to their fellow Americans under age 65. As I have indicated, this has been a very popular program with the seniors. Unfortunately, the popularity of this program has also caught the attention of a few unscrupulous individuals who seek to further their own selfish interests at the expense of the elderly and of those many legitimate providers who operate within the law. I wish to make it clear to my colleagues that while the problem does not appear to be systemic, still the incentives and potential for abuse exist, and, unfortunately, vulnerable seniors have been the victims of these abuses and continue to deserve and need protection against them.

The bill I am introducing contains the following provisions:

First, the bill would require those organizations with HCFA risk-sharing contracts to notify potential Medicare consumers that the organization can by law choose to refuse to renew its contract with HCFA when it comes up for renewal. Currently, there is no requirement for eligible organizations—that is, HMO's—to notify the elderly consumer prior to enrolling him in a health plan that he may be disenrolled from the plan should the organization decide not to renew its contract. This required notification will

make the consumer aware of the possibility of disenrollment and assist Medicare beneficiaries in deciding whether to choose the HMO or Medicare as the health plan that is most likely to meet their needs.

Second, the bill imposes civil monetary penalties and intermediate sanctions on an eligible organization with risk-sharing contracts which:

First. Fails to provide medically necessary items and services if the failure has adversely affected the individual; or

Second. Charges an individual a greater premium than is permitted; or

Third. Acts to expel or to refuse to re-enroll an individual for medical reasons; or

Fourth. Engages in any practice that denies or discourages an individual whose medical condition or history indicates a need for future medical services; or

Fifth. And misrepresents or falsifies information to the Secretary of HHS or the individual, or enrolls an individual without the individual's knowledge or consent or makes a material inducement to the individual.

Currently, the only authority HCFA possesses to punish abusive marketing practices is to terminate the organization's contract. Although this authority is necessary, I believe the intermediate sanctions I am proposing are more appropriate for the less severe sharp marketing practices and better serve the needs of the elderly who would otherwise be the ones punished

by a contract termination which leaves the HMO enrollee effectively disenrolled and once again in need of a health care program.

Third, the bill prevents the Secretary of the Department of Health and Human Services [DHHS] from entering into or renewing a contract with any eligible organization in a State that does not require the licensure of those individuals who solicit the enrollment of an individual. The results of a survey of the 50 States and the District of Columbia in June 1986, by the Illinois and Indiana Departments of Insurance reveal the following results regarding the solicitation or sale of HMO products.

Nineteen States presently require some degree of licensure for agents soliciting on behalf of HMO's. The remaining 31 States and the District of Columbia are without licensing requirements. Of these, 16 States have the statutory authority to promulgate the rules and regulations necessary for the licensing of HMO agents but, as of the date of this survey, have chosen not to exercise this authority. Three other States have limited authority and the remaining 12 States and the District of Columbia are without any provisions for regulating the solicitation or sale of HMO products.

Mr. President, I ask unanimous consent that material in connection with the licensure be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Re: Summary State Licensure requirements for agents soliciting HMO products.

To: NAIC/NAHMOR Joint Committee members

From: Shirley S. Hayes—Indiana Department of Insurance, David E. Grant—Illinois Department of Insurance.

The results of the survey of the 50 States and the District of Columbia reveal diverse positions on agent licensure, though the potential for consistency may exist in the event a standard is adopted by NAHMOR and the NAIC. The map attached divides the States into those which presently have some sort of licensure requirements and those which do not. Also attached is a brief statement of each State's licensure status.

Further analysis of the survey indicates 19 States presently require some degree of licensure for agents soliciting on behalf of HMO's. Of these, 11 require a special license for the HMO solicitor, 5 require a health license and 2 require a disability license. South Carolina requires all HMO solicitors be licensed; however, if they are salaried employees of the HMO, they are exempt from examination.

The remaining 31 States and the District of Columbia are without licensing requirements. Of these, 16 States have the statutory authority to promulgate the Rules and Regulations necessary for the licensing of HMO agents but as of the date of this survey, have chosen not to exercise this authority. Two States permit HMO's to enter contractual arrangements for the marketing of health plans, and one State requires solicitors be salaried employees of the HMO. The remaining 12 States and the District of Columbia are without any provisions for regulating the solicitation or sale of HMO products.

S.S.H.
D.E.G.

STATUS OF STATE LICENSURE REQUIREMENTS FOR AGENTS SOLICITATING HMO PRODUCTS

State	Licensure	Comments
1. Alabama	Yes	HMO must secure a Certificate of Authority for each agent writing or soliciting health care certificates.
2. Alaska	No	
3. Arkansas	Yes	Prior to performing solicitation activities, each agent must submit an application for licensure, pay a fee, and pass a written examination.
4. Arizona	Yes	The Commissioner has issued Rule and Regulation 35. An agent is a person directly or indirectly associated with a health care plan who engages in solicitation or enrollment.
5. California	No	
6. Colorado	No	The HMO may contract with any person for marketing, enrollment and administrative services. The Commissioner may promulgate reasonable Rules and Regulations as are necessary to provide for the licensing of agents.
7. Connecticut	No	
8. Delaware	No	The HMO may solicit enrollees and sell its services through its own employees, persons licensed or otherwise permitted to sell health insurance or persons licensed or otherwise permitted to sell the benefit program of a health service corporation.
9. Florida	No	
10. Georgia	Yes	Requires that each agent take and pass the examination required for an insurance agent in the accident and sickness lines or such other examination as may be prescribed by the Commissioner. No person shall act as an HMO agent without having passed the examination.
11. Hawaii	No	
12. Idaho	Yes	Agents or persons representing the organization in solicitation and negotiation of subscribers contracts shall qualify and be licensed as agents in accordance with procedures under Insurance Law for licensing of agents of disability insurers, with noted exceptions.
13. Illinois	No	The Director may promulgate reasonable Rules and Regulations for the licensing of agents.
14. Indiana	Yes	Agents, solicitors, and brokers performing services for HMOs are subject to the laws governing the licensing of health insurance agents.
15. Iowa	No	The Commissioner of Insurance may promulgate Regulations to provide for the licensing of agents of an HMO.
16. Kansas	No	
17. Kentucky	No	The Commissioner of Insurance may promulgate the necessary Rules and Regulations for the licensing of agents.
18. Louisiana	No	
19. Maine	No	The Insurance Superintendent may promulgate Rules and Regulations for the licensing of agents.
20. Maryland	No	
21. Massachusetts	Yes	The Commissioner is authorized to regulate the licensing of agents.
22. Michigan	No	
23. Minnesota	Yes	Agents, solicitors, and brokers performing services for HMOs are subject to the laws governing the licensing of health insurance agents.
24. Mississippi	Yes	Agents of the corporation soliciting contracts must be certified by the Commissioner of Insurance.
25. Missouri	No	The HMO is permitted to enter into contracts for the provision of marketing and enrollment services.
26. Montana	No	
27. Nebraska	No	The Director of Insurance may issue Rules and Regulations governing the licensure of agents.
28. Nevada	Yes	No person may solicit or sell to any group or individual a plan that provides for comprehensive health care services unless such person has a valid license, issued by the Commissioner.

STATUS OF STATE LICENSURE REQUIREMENTS FOR AGENTS SOLICITATING HMO PRODUCTS—Continued

State	Licensure	Comments
29. New Hampshire	Yes	All persons engaged in the solicitation or enrollment of subscribers must be duly licensed agents for the sale of health insurance in the State.
30. New Jersey	No	The Commissioner of Health may promulgate such reasonable Rules and Regulations which have been approved by the Commissioner of Insurance, as are necessary to provide for the certification of agents.
31. New Mexico	Yes	Solicitation of enrollees in an HMO is handled by an agent who is appointed or employed by the HMO and licensed by the Superintendent.
32. New York	No	An HMO is prohibited from employing solicitors or accepting business from brokers on a commission basis. Solicitors must render their services as employees on a salaried basis.
33. North Carolina	No	The Commissioner may issue Rules and Regulations to provide for the licensing of agents.
34. North Dakota	No	The Commissioner may promulgate such reasonable Rules and Regulations as are necessary to provide for the licensing of agents.
35. Ohio	No	The Superintendent of Insurance may establish qualifications of agents and issue licenses to qualified applicants.
36. Oklahoma	No	The State Insurance Commissioner after notice in hearing may promulgate such reasonable Rules and Regulations as are necessary to provide for the licensing of agents.
37. Oregon	No	Solicitors or agents shall meet such prerequisites as the Commissioner by Regulation shall require.
38. Pennsylvania	Yes	An HMO is authorized to enter into contracts for marketing its health plan, enrollment and/or administration.
39. Rhode Island	No	Regulations require all HMO solicitors be licensed however if they are salaried employees of the HMO they are exempt from examination.
40. South Carolina	Yes	The Director of the Division of Insurance may promulgate such reasonable Rules and Regulations as are necessary to provide for the licensing of agents.
41. South Dakota	No	Agents writing or soliciting contracts for the corporation must be certified by the Commissioner of Insurance.
42. Tennessee	Yes	Before making any solicitation for enrollment in an HMO, a person or other legal entity must have a valid HMO agents license.
43. Texas	Yes	The Commissioner may promulgate such reasonable Rules and Regulations as are necessary to provide for the licensing of agents.
44. Utah	No	Enrollee contracts may be solicited outside of the principal office of an HMO only through licensed salesmen.
45. Vermont	No	No person may act as or hold himself out to be an agent of an HMO unless licensed as a disability insurance agent by the State and appointed or authorized by the HMO on whose behalf solicitations are to be made.
46. Virginia	Yes	The Commissioner is authorized to issue Regulations necessary to regulate marketing of HMOs by persons compensated directly or indirectly by the HMO.
47. Washington	Yes	Chapter 628, regulating insurance marketing, provides for licensing of agents representing service insurance corporations.
48. West Virginia	No	The Insurance Commissioner may promulgate reasonable Rules and Regulations as necessary to provide for the licensing of agents.
49. Wisconsin	Yes	
50. Wyoming	No	
51. District of Columbia	No	

Mr. WILSON. Mr. President, this provision should stimulate those States which have not yet adopted licensure of HMO marketing agents to do so promptly in order to protect their senior health care consumers.

This bill will protect the elderly from the many unscrupulous marketing techniques of those health maintenance organizations which have been guilty of sharp practices in seeking to attract Medicare recipients to their rolls.

As an example, some HMOs set up tables outside shopping malls, outside flea markets—even outside Social Security offices—to give free blood pressure tests to Medicare beneficiaries. To participate, the seniors are told they must give their names, Medicare numbers, and sign a form. What they aren't told is that what they are actually signing is an HMO enrollment application.

In other cases, Medicare beneficiaries are offered free gifts such as cameras as an inducement to sign enrollment forms. HMO marketing representatives pose as agents of the Government, or falsely advise beneficiaries that their current clinic is being closed and that they must enroll in the HMO which the HMO salesman is pitching.

Mr. President, there are many other abuses and I ask unanimous consent to have printed in the RECORD a full list of the marketing abuses documented by HCFA and my staff.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEED FOR THE LEGISLATION

1. Tables are set up in shopping malls, flea markets, banks, outside Social Security offices, outside clinics, or at retirement hotels or community centers. Free blood pressure tests are offered to Medicare beneficiaries, who are required to provide their names and Medicare numbers and sign for the tests. They do not realize that they are signing an enrollment application when they sign for tests.

2. Door to door solicitation is conducted, seeking signatures for a "petition" having to do with something of interest to seniors such as medical cost containment, better housing, or expanding Medicare. The "petition" turns out to be an enrollment application.

3. Gifts such as cameras are offered as an inducement to sign such "petitions" or HMO enrollment applications in other forms.

4. Potential enrollees are solicited to sign a request for information or literature about an HMO, which request turns out to be a membership application.

5. Beneficiaries are misled by HMO agents to believe that the HMO plan is a supplement to regular Medicare or to their current plan, rather than a substitute for it.

6. Misrepresentations are made by the marketing representative that he represents the U.S. Government or a State Government, or another insurance company.

7. The beneficiary is told by the marketing representative that "if you'll just sign the form now, I won't turn it in until after you call me and tell me you want it."

8. HMO representatives misrepresent the lock in provision so that a beneficiary believes he can still use his own physician.

9. An enrollee is told by a marketing representative that his current clinic is being closed and he must choose another one, and then enrolls him in another HMO.

10. The beneficiary is induced to sign multiple applications, one of which is later submitted to re-enroll the beneficiary without his knowledge or consent.

11. A Social Security Office is called by an HMO agent, falsely identifying himself as a relative of a beneficiary to obtain information regarding the Medicare number and status of that beneficiary.

12. A beneficiary is photographed under the guise that he is being interviewed for a magazine article and is induced to sign what is said to be a "consent" form and to give his Social Security number. The "consent" form turns out to be an enrollment application.

Mr. WILSON. Mr. President, when Congress enacted the legislation that authorized the Health Care Financing Administration to contract with qualified health maintenance organizations and competitive medical plans to care for Medicare patients, it intended the system to efficiently and effectively deliver high quality medical care.

Quality health care must be the foundation of any health delivery system. I believe we have accomplished that objective with a large degree of success. However, with any new program, mistakes will be made. Although some safeguards were built into the program to assure that Medicare beneficiaries were protected from potential abuse, more can and must be done. That is what I hope to accomplish with this piece of legislation today. This bill will help to protect the

elderly from abusive and sharp marketing practices and give them the emotional as well as the physical security, which they deserve.

We in Congress, can no longer stand by and permit such abuses to be perpetrated on the elderly by unscrupulous marketing representatives. I urge my colleagues to join me in passing this legislation as quickly as possible.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1582

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NOTICE TO MEDICARE BENEFICIARIES.

(a) IN GENERAL.—Section 1876(c)(3) of the Social Security Act (42 U.S.C. 1395mm(c)(3)) is amended by adding at the end thereof the following new subparagraph:

"(F)(i) Each eligible organization having a risk-sharing contract under this section shall notify individuals eligible to enroll with the organization under this section and individuals enrolled with the organization under this section that—

"(I) the organization is authorized by law to terminate or refuse to renew the contract, and

"(II) termination or nonrenewal of the contract may result in termination of the enrollments of individuals enrolled with the organization under this section.

"(ii) The notice required by clause (i) shall be included in—

"(I) any materials described in subparagraph (C) that are distributed by an eligible organization to individuals eligible to enroll under this section with the organization, and

"(II) any explanation provided to enrollees by the organization pursuant to subparagraph (E)."

(b) APPLICATION.—The amendment made by subsection (a) shall apply to contracts entered into (or renewed) on or after the date of the enactment of this Act.

SEC. 2. CIVIL MONEY PENALTIES AND INTERMEDIATE SANCTIONS FOR ELIGIBLE ORGANIZATIONS WITH RISK-SHARING CONTRACTS.

(a) IN GENERAL.—Section 1876(i)(6) of the Social Security Act (42 U.S.C. 1395mm(i)(6)) is amended to read as follows:

"(6)(A) Any eligible organization with a risk-sharing contract under this section that—

"(i) fails substantially to provide medically necessary items and services that are required (under law or under the contract) to be provided to an individual covered under the contract, if the failure has adversely affected (or has a substantial likelihood of adversely affecting) the individual, is subject to a civil money penalty of not more than \$25,000,

"(ii) charges an individual covered under the contract a greater premium than is permitted under this section, is subject to a civil money penalty of not more than \$2,000 plus double the excess amount charged (and the excess amount charged shall be deducted from that penalty and returned to the individual),

"(iii) acts to expel or to refuse to re-enroll an individual in violation of the provisions

of this section, is subject to a civil money penalty of not more than \$15,000, for each incident,

"(iv) engages in any practice that would reasonably be expected to have the effect of denying or discouraging enrollment with the organization (except as permitted by this section) by eligible individuals whose medical condition or history indicates a need for substantial future medical services, is subject to a civil money penalty of not more than \$100,000, plus \$15,000 for each individual consequently not enrolled, or

"(v) misrepresents or falsifies enrollment information that is furnished to the Secretary, to an individual, or to any other entity, or enrolls an individual without the individual's knowledge or consent or after making a material inducement to the individual, is subject to a civil money penalty of not more than \$15,000 for each incident (or, in the case of enrollment information furnished to the Secretary, not more than \$100,000 for each incident).

"(B) The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty under subparagraph (A) in the same manner as they apply to a civil money penalty under that section.

"(C) If the Secretary determines that an eligible organization has committed any of the violations specified in subparagraph (A), the Secretary, in addition to, or instead of, imposing a civil money penalty, may provide for the suspension of enrollment of individuals under this section or of payment to the organization under this section for individuals newly enrolled with the organization, after the date the Secretary notifies the organization of the violation."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective at the end of the fourteen-day period beginning on the date of the enactment of this Act and shall not apply to administrative proceedings commenced before the end of such period.

SEC. 3. LIMITATION ON CONTRACTS WITH ELIGIBLE ORGANIZATIONS.

(a) LIMITATION.—Section 1876 of the Social Security Act (42 U.S.C. 1395mm) is amended—

(1) in subsection (g)—

(A) in paragraph (1), by striking "The Secretary" and inserting in lieu thereof "Subject to paragraph (7), the Secretary", and

(B) by adding at the end thereof the following:

"(7) The Secretary may not enter into or renew a contract under this subsection with any eligible organization unless that organization is located in a State that requires any individual who—

"(A) is an employee or agent of an eligible organization with a risk-sharing contract under this subsection, and

"(B) solicits the enrollment of any individual under this section with the organization, to be licensed in accordance with procedures established by or pursuant to State law," and

(2) in subsection (h)(1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,

(B) by inserting "(A)" after "(1)", and

(C) by adding at the end thereof the following:

"(B) The Secretary may not enter into or renew a contract under this subsection with any eligible organization that is located in a State that fails to meet the requirements of subsection (g)(7)."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to contracts entered into or renewed on or after January 1, 1990.

● Mr. McCAIN. Mr. President, I rise today with my distinguished colleague from California, Senator WILSON, to introduce S. 1582. The purpose of this legislation is to provide the Health Care Financing Administration [HCFA] the authority to protect older Americans from possible abuses arising from the sales and operations of health maintenance programs targeted toward Medicare eligible Americans.

In 1982, through the Tax Equity and Fiscal Responsibility Act, Congress gave HCFA the authority to contract with health maintenance organizations [HMO's] and competitive medical plans [CMP's] in order to make this kind of prepaid plan option available to Medicare beneficiaries. It was not until 1985, however, that HCFA actually began contracting with HMO's and CMP's for the care of Medicare beneficiaries. Since that time, close to 1 million seniors have enrolled in these prepaid plans.

This was a positive move due to the fact that this capitated approach—paying one preset amount for each enrollee rather than paying on a fee-for-service basis—is such a cost-effective way of providing health care services. This approach in fact, appears to be a more cost effective way to provide health care services than through the traditional Medicare system, with an added supplemental plan. Perhaps this is the direction that the entire Medicare system will eventually move.

Mr. President, in Arizona we've been experimenting with a capitated approach to providing care for our State's poor. Rather than utilizing the traditional fee-for-service Medicaid Program, Arizona and the Federal Government entered into a contractual agreement and established the Arizona health care cost containment system—or AHCCS for short. This Medicaid demonstration project has been a success. Not only has it facilitated the providing of care to Arizona's poor, it has been a financial success—saving the State of Arizona and the Federal Government millions of dollars each year. Capitated health care programs may be the way of the future in terms of Government provided health care coverage.

The administration deserves to be commended for its efforts in developing and promoting the HMO concept for the Medicare-eligible population. As we have witnessed in just 2 years of operation, this competitive, consumer choice program has become very popular among seniors. The popularity of the program, however, has led to some abuse by a few quick profit solicitors.

These unscrupulous individuals have illustrated that a potential for abuse does exist due in large part to a lack of effective means to deal with individuals who desire to operate in such a self-serving manner.

While some safeguards were built into the program at the time of its inception, I believe we can and should do more to protect older Americans from the potential of abuse. Specifically, I think we need to do three things—all of which are addressed in this legislation we are introducing today.

First, we need to require eligible organizations to inform potential enrollees, prior to enrolling in the health plan, that they may be disenrolled from the plan should the organization decide not to renew its contract.

This will serve to promote greater consumer awareness, providing the consumer—up front—with all of the information they need to know in order to make a wise and informed decision regarding the selection of health care coverage.

Second, we need to give HCFA the authority to impose civil monetary penalties and/or intermediate sanctions on those organizations with risk sharing contracts who: Fail to provide medically necessary items and services, resulting in an adverse affect on the enrollee; charge an individual a greater premium than is permitted; expel or refuse to reenroll an individual for medical reasons; deny or discourage an individual from enrolling whose medical condition or history indicates a need for future medical services; or misrepresent or falsify information to the Department of Health and Human Services or the individual; enroll an individual without the individual's knowledge or consent; or tries to induce an individual into enrolling by offering material goods.

The only enforcement authority HCFA currently possesses in responding to marketing abuses is the termination of the organization's contract. There are many scenarios where such action may not be warranted, but where action must still be taken. The reality of terminating a contract is that seniors lose their health care plan. By providing HCFA with the flexibility and authority to impose lesser sanctions and/or penalties, we provide more effective ability to address such abuses.

Third, we ought to prevent the Secretary of HHS from entering into a renewing a contract with any eligible organization in a State that does not require the licensure of those individuals participating in enrollment solicitations. This would facilitate compliance on the part of salesmen with accepted marketing practices in the solicitation or potential enrollees.

The State of Arizona as well as 18 other States already require licensure. Of the other 31 States, 16 have the au-

thority to promulgate such rules and regulations. Requiring licensure nationwide certainly would be a positive move.

Mr. President, the capitulated approach to providing health care coverage ought to remain an option for seniors. The existence of this option is threatened whenever unscrupulous individuals attempt to take advantage of the system. We must give HCFA the tools to deal effectively with such individuals. Hopefully, the mere existence of such tools serve as a deterrence to those who would even flaunt with the thought of making a fast buck at the expense and well-being of others.

I urge my colleagues to seriously consider this legislation and lend their support toward its adoption. ●

By Mr. REID:

S. 1584. A bill to assure compliance with the National Environmental Policy Act of 1969, and for other purposes; to the Committee on Environment and Public Works.

AIRSPACE PROTECTION ACT

● Mr. REID. Mr. President, as an eagle soars over Nevada he beholds scenes of wonder as far as his eyes can scan.

Wheeling over her snowcapped mountain ranges he can marvel at the Ruby Mountains, and the Sierra Nevada's towering fortress. He can swing upward through the drafts rising from the Black Rock and Mojave Deserts, with their vast expanse of dunes, and the Joshua trees marching in prehistoric order. After a sudden summer rainstorm, he can smell the scent of sage warbling from the valley floors sweeter than any perfume that could be devised by the poor hand of man.

And suddenly, out of the still desert air, he can detect the scream of mighty jet engines. Our Nation's aerial power bursts through the desert silence as fighters roar across the desert flats at low level, and twist suddenly upward to the Sun in an awesome display of the combination of technical ability and human skill which protects our Nation.

Those aircraft, flying from bases at Nellis, Indian Springs, and Fallon, contribute extraordinarily to the defense of America and the free world. It is over those desert ranges that our pilots hone their skills; it is in Nevada's desert air that they experience the anxiety and stress of aerial combat in a war without weapons. It is because those aerial battles take place that we can rest assured that the quality of our pilots is second to none on the face of this globe.

The still desert air with all its beauty, and the sudden scream of jet engines. Can the two coexist? Can we protect our Nation's vital interests, and yet still prevent the destruction of the very land those aircraft exist to preserve? I believe we can.

To protect both those interests, however, we must first resolve a serious problem occurring in the the United States, particularly in the West: the wholesale giveaway of airspace to the Department of Defense.

Airspace withdrawal is currently an administrative process which consists of the Secretary of Defense submitting a proposal to the Secretary of Transportation who, up until now, has acted as little more than a rubber stamp for DOD's requests. Airspace withdrawal not only restricts direct routes for civilian and commercial flights, but also has a significant effect on the health and safety of the people who live below or near the withdrawn area.

In the case of designated low-altitude supersonic areas [SOA's], hundreds of sonic booms per day are being reported. The long-term effect on residents of high volume exposure to sonic booms is still under study. For some, however, the situation has created intolerable living conditions.

I do not question the necessity of restricted airspace so that the military can conduct mock aerial combat, bombing practice and flight testing, nor do I doubt the good will of the military, especially the staff at NAS Fallon, in dealing with the problem. However, the process must become one in which the Department of Defense seriously takes into account the impact upon the environment, including human safety.

In my discussions with citizens, I have heard more and more complaints about the overwhelming and unchecked militarization of the public lands and the airspace above that land.

Conveying that sentiment, I testified 2 years ago before the House Public Lands Subcommittee on the illegal acquisition of the Navy's Bravo-20 bombing range in Nevada. I reminded the Navy that withdrawing land over 5,000 acres must be done by an act of Congress as stated in the Engle Act of 1958, and that until an act is passed the public has a right to enter that land.

In researching the airspace issue, I found there was no definitive law concerning its restrictions. That is why 2 years ago I introduced H.R. 1584. That bill would have required congressional approval whenever the Department of Defense created any restriction on airspace over nonmilitary public land.

I continued that effort last year, by introducing H.R. 4413, which again emphasized the problem of airspace restrictions over public lands.

During my time in this honorable body, I have been made increasingly aware that the problem is not just with airspace restrictions over public lands. The problem exists over both public and private lands. Simply put,

the problem involves airspace above the entire Nation. The problem, therefore, affects all Americans.

Aerial thunder and the use restrictions on our land are becoming extremely important to Americans, particularly those in the Western United States. In Nevada, the military currently restricts almost 20 million acres of airspace.

I am convinced of the necessity of airspace withdrawals for the sort of flight training and testing which is done on the Nevada ranges. At the same time, however, citizens have been subjected increasingly to low-altitude supersonic flights by the military. These types of flights have had a significant adverse impact.

Based on the realization that there was indeed a national problem, I broadened the scope of my legislative thrust to offer protection to all Americans. Today I am offering that legislation. I feel it will provide that protection. Yet, I also feel it is also limited enough to allow the military to be able to successfully perform its vital duties in the defense of our Nation.

My bill is called the Airspace Protection Act. By introducing this bill, I hope to balance the needs of America's defense against the need to preserve the land which that defense is designed to protect.●

By Mr. CHAFEE (for himself and Mr. STAFFORD):

S. 1585. A bill to provide financial assistance to local educational agencies to improve the educational opportunities of the Nation's children and adults by integrating early childhood education and adult education for parents into a unified program to be referred to as "Even Start"; to the Committee on Labor and Human Resources.

EVEN START ACT

● Mr. CHAFEE. Mr. President, the persistence of illiteracy in this country is one of the largest challenges we face. One of the most tragic aspects of illiteracy is that it tends to be passed from one generation to the next. Today, together with Senators PELL and STAFFORD, I am introducing legislation to break this cycle.

Over 60 million adults in this country—or one-third of the adult Population—reads below the ninth grade level. Consider the kinds of basic survival information that would be out of reach: Public housing leases, phone bills, food stamp applications, job manuals, even the antidote instructions on a can of Drano—all of which require reading abilities above the ninth grade level.

Even more tragic is that many of these adults will—despite their best intentions—pass their literacy problems on to their children. Lacking the intellectual stimulation that is crucial during the early years of life, the chil-

dren of nonreaders tend to grow up to be nonreaders as well. They enter school at a distinct disadvantage in comparison to children from reading household, and fall still further behind as their school years progress. Their parents are at a loss to offer even the most basic help—much less to get actively involved in their child's schooling. What we need to do is to give these parents help, and give their children an even start at school—an even start on literacy.

The bill I'm introducing today, the Even Start Act, seeks to break the cycle by funding literacy programs targeted specifically at nonreading parents and their preschool-age children. The kinds of projects funded under this bill would combine adult and early childhood education in innovative ways. In an Even Start Program, parents would not only learn to read along with their children—they would also learn how to be their children's first teacher. They would, for the first time, get the tools to be true participants in their children's education.

This bill would authorize \$30 million for Even Start projects in the first year, and such sums as may be necessary in the 4 subsequent years. These projects would be collaborative efforts between schools, libraries, community organizations, Head Start providers, JTPA agencies, and adult education organizations. Eligible for services would be families residing in chapter 1 eligible school attendance areas: specifically, nonreading parents and their children between the ages of 1 and 7.

The purpose of the Even Start Act is to spur a wide variety of parent-child literacy programs, particularly those that:

Involve parents and children together, providing instruction to both in the same setting or in the home where possible; use a variety of nonschool settings, since school, to the nonreading adult, can be a symbol of failure; and make maximum use of the literacy resources the community already has: Rather than supercede or compete with existing services, Even Start projects should build on these services.

Some may question the need for a new literacy program. First of all, Federal funding for literacy efforts is a far cry from the all-out effort that is needed. It amounts to about \$350 million every year—or about \$5.83 for each nonreader. When you consider the enormous social and personal costs of illiteracy, it is clear that we need to do more.

Second, Even Start tackles a very specific facet of illiteracy: The dilemma of parents who are unable to help their children succeed in school because of their own literacy problems.

Imagine the anguish of parents who know they should be reading to their preschooler, but can't; who can't interpret or reply to notes from teachers or

school bulletins; and who must stand helplessly by while their children try to handle school's challenges all alone. Imagine the child who gets no reinforcement at home for what he or she learns in school.

Even Start programs would address both sides of this problem by using a joint parent/child approach. This is something quite new, but where it has been done, it has been phenomenally successful. This is because nonreaders who are the parents of young children have not only a tremendous need to learn to read—they also have a tremendous incentive. In my view, the joint parent/child approach is so promising that it warrants a concerted effort, in the form of a nationwide program. It offers us our best hope for breaking the inexorable cycle in which illiteracy is handed down from one generation to the next.

Mr. President, I ask unanimous consent that a copy of the Even Start Act and a summary of the bill be printed in the RECORD at this point. I urge my colleagues to lend their support to this effort, and hope that the Senate will see fit to act swiftly upon it.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Even Start Act".

PROGRAM AUTHORIZED

SEC. 2. The Education Consolidation and Improvement Act of 1981 is amended—

- (1) by redesignating chapter 3 as chapter 4; and
- (2) by adding after chapter 2 the following new chapter:

"CHAPTER 3—EVEN START PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 590A. It is the purpose of this chapter to improve the educational opportunities of the Nation's children and adults by integrating early childhood education and adult education for parents into a unified program to be referred to as "Even Start", to be implemented through cooperative projects that build on existing community resources.

"GRANT ALLOCATION

"SEC. 590B. (a) STATE ALLOCATION.—Except as provided in subsections (b) and (c), each State shall be eligible to receive a grant under this chapter in each fiscal year that bears the same ratio to the amount appropriated for this chapter in that fiscal year as the amount allocated under section 111 of the Elementary and Secondary Education Act of 1965, as incorporated by reference in chapter 1 of this Act, to local educational agencies in the State bears to the total amount allocated to such agencies in all States.

"(b) STATE MINIMUM.—

"(1) Except as provided in paragraph (2), no State shall receive more than 5 percent or less than three-fourths of one percent of

the amount appropriated for this chapter for any fiscal year.

"(2) Subject to the availability of appropriations, no State shall receive less than \$100,000 for any fiscal year.

"USES OF FUNDS

"SEC. 590C. (a) IN GENERAL.—Funds made available to local educational agencies under this chapter shall be used to pay the Federal share of the cost of providing family-centered education programs which involve parents and children in a cooperative effort to help parents become full partners in the education of their children and to assist children in reaching their full potential as learners.

"(b) PROGRAM ELEMENTS.—Each program assisted under this chapter shall include—

"(1) the identification and recruitment of eligible children;

"(2) screening and preparation of parents and children for participation, including testing, referral to necessary counseling, and related services;

"(3) design of programs and provision of support services (when unavailable from other sources) appropriate to the participants' work and other responsibilities, including—

"(A) scheduling and location of services to allow joint participation by parents and children;

"(B) child care; and

"(C) transportation;

"(4) the establishment of instructional programs that promote adult literacy, training parents to support the education and growth of their children, and preparation of children for success in regular school programs;

"(5) provision of special training to enable staff to develop the skills necessary to work with parents and young children in the full range of instructional services offered through this chapter (including child care staff in programs enrolling children of participants under this chapter on a space available basis);

"(6) provision of and monitoring of integrated instructional services to participating parents and children through home-based programs; and

"(7) coordination of programs assisted under this chapter with programs assisted under chapter 1, the Adult Education Act, the Job Training Partnership Act, and with the Head Start program, volunteer literacy programs, and other relevant programs.

"(c) FEDERAL SHARE LIMITATION.—The Federal share under this chapter may be—

"(1) not more than 80 percent of the total cost of the program in the first year of the local educational agency receives assistance under this chapter,

"(2) 60 percent in the second such year,

"(3) 40 percent in the third such year, and

"(4) 20 percent in the fourth and any subsequent such year.

The non-Federal share may be obtained from any available source (including Federal, State, and local programs and part A of this chapter).

"ELIGIBLE PARTICIPANTS

"SEC. 590D. Eligible participants in a program assisted by a local educational agency under this chapter may be a parent and child from a family that includes—

"(1) a parent who is eligible for participation in an adult basic education program under the Adult Education Act; and

"(2) a child aged 1 to 7, inclusive, who resides in a school attendance area designated

for participation in programs under chapter 1.

"APPLICATIONS

"SEC. 590E. (a) SUBMISSION.—To be eligible to receive a grant a local educational agency shall submit an application to the State educational agency in such form and containing or accompanied by such information as the State educational agency may require.

"(b) REQUIRED DOCUMENTATION.—Each such application shall include documentation that the local educational agency has the qualified personnel required—

"(1) to develop, administer, and implement the program required by this chapter, and

"(2) to provide special training necessary to prepare staff for the program.

"(c) PLAN.—Each such application shall also include a plan of operation for the program which includes—

"(1) a description of the program goals;

"(2) a description of the activities and services which will be provided under the program (including training and preparation of staff);

"(3) a description of the population to be served and an estimate of the number of participants;

"(4) a statement of the methods which will be used—

"(A) to ensure that the programs will serve those eligible participants most in need of the activities and services provided by this chapter;

"(B) to provide services under this chapter to special populations, such as individuals with limited English proficiency and individuals with handicaps; and

"(C) to encourage participants to remain in the programs for a time sufficient to meet program goals; and

"(5) a description of the methods by which the applicant will coordinate programs under this chapter with programs under part A of this chapter, the Adult Education Act, the Job Training Partnership Act, and with Head Start programs, volunteer literacy programs, and other relevant programs.

"AWARD OF GRANTS

"SEC. 590F. (a) SELECTION PROCESS.—Each State educational agency shall award grants on the basis of proposals which—

"(1) are most likely to be successful in meeting the goals of this chapter;

"(2) are serving areas of the State in greatest need of services provided under this chapter;

"(3) demonstrate the greatest degree of cooperation and coordination between a variety of relevant service providers in all phases of the program;

"(4) submit budgets which appear reasonable, given the scope of the proposal;

"(5) demonstrate the local educational agency's ability to provide the non-Federal share of the cost of the program as required by section 590C(c);

"(6) are representative of urban and rural regions of the State; and

"(7) show the greatest promise for providing models which may be transferred to other local educational agencies.

"(b) DURATION.—Grants may be awarded for a period not to exceed 4 years.

"EVALUATION

"SEC. 590G. (a) INDEPENDENT ANNUAL EVALUATION.—The Secretary shall provide for the annual independent evaluation of programs under this chapter to determine their effectiveness in providing—

"(1) services to special populations;

"(2) adult education services;

"(3) parent training;

"(4) home-based programs involving parents and children;

"(5) coordination with related services programs; and

"(6) training of related personnel in appropriate skill areas.

"(b) CRITERIA.—

"(1) Evaluations shall be conducted by individuals not directly involved in the administration of the program or project operation under this chapter. Such independent evaluators and the program administrators shall jointly develop evaluation criteria which provide for appropriate analysis of the factors under subsection (a). When possible, evaluations shall include comparisons with appropriate control groups.

"(2) In order to determine a program's effectiveness in achieving its stated goals, the evaluations shall contain objective measures of such goals and, whenever feasible, shall obtain the specific views of program participants about such programs.

"(c) REPORT TO CONGRESS AND DISSEMINATION.—The Secretary shall prepare and submit to the Congress an annual review and summary of the results of such evaluations. The annual evaluations shall be submitted to the national diffusion network in the form required for consideration, for possible dissemination.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 590H. There are authorized to be appropriated \$30,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989, 1990, 1991, 1992, and 1993 to carry out the provisions of this chapter."

SUMMARY: THE EVEN START ACT OF 1987

Purpose: To break the generational cycle of illiteracy by funding innovative literacy programs for non-reading parents of very young children. These children often start school at a disadvantage in relation to children from reading households, and fall still further behind as their school years progress. Their parents are at a loss to help, because of their own literacy problems.

By providing literacy training in these crucial early years, we will enable parents to participate in their children's education for the first time, and thus to give them an "even start" at school.

Funding: \$30 million in the first year; such sums as may be necessary in each of the five succeeding years.

Allocation to States: States would receive Even Start allocations in proportion to their Chapter One allocations. The states would then review proposals for Even Start projects: collaborative efforts by schools, libraries, community organizations, Head Start providers, JTPA agencies, and adult education organizations to provide parent/child literacy instruction.

Grantees: required coordination with other literacy services: In these collaborative efforts, the school would serve as the umbrella organization; that is, the school would actually apply for and receive an Even Start grant on behalf of all the other entities. This does not mean that the schools would necessarily be the focus of Even Start activities; the intent of the program is to provide for maximum coordination with other literacy resources and maximum flexibility in the type of services offered. Rather than supersede or compete

with existing services, Even Start projects should build on these services.

Federal/State match: Applications showing the most promise would be funded for 4 years, with a declining federal share each year: 80 percent, 60 percent, 40 percent, 20 percent. The purpose here is to encourage Even Start grantees to become self-sufficient, so that the programs would continue to exist after federal funds are withdrawn and given to other worthy applicants.

Eligible participants in even start programs: Non-reading parents and their children (between the ages of 1 and 7) who reside in Chapter one-eligible attendance areas. (About 64% of RI's school districts are Chapter One-eligible.)

Mr. STAFFORD. Mr. President, I am pleased to join the Senator from Rhode Island as a cosponsor of the Even Start Act. This program addresses the critical problem of illiteracy in our country in a very unique and promising way. Even Start combines adult education for parents with limited skills, and school readiness training for their young children into a single educational program.

During the 99th Congress, the Senate Subcommittee on Education, Arts and Humanities and the House Subcommittee on Elementary, Secondary and Vocational Education, held a series of hearings on the issues surrounding illiteracy in the United States. We found that 23 million adult Americans, or 1 in every 5, are functionally illiterate as defined by the simplest test of everyday reading, writing, and comprehension. Illiteracy is found in every segment of society, and despite the many exemplary Federal, public, and private activities which provide literacy skills, we still have many more people to reach. We have yet to meet the needs of the unemployed, dislocated workers, housewives entering the job market, retired persons, or the close to 1 million teenagers who drop out of high school each year.

It is this Senator's belief that the Even Start Act is a way in which we can break the cycle of illiteracy by bringing parents and children together to learn. Parents with children between the ages of 1 and 7 from school attendance areas where the literacy problem is the greatest, may acquire the skills necessary to prepare their children for school and enhance their children's educational achievement at home.

I am pleased to rise in support of this bill today, and urge my colleagues to join me in cosponsoring this worthy and promising piece of legislation.

By Mr. KERRY (for himself, Mr. WEICKER, Mr. STAFFORD, Mr. KENNEDY, Mr. SIMON, and Mr. METZENBAUM):

S. 1586. A bill to provide financial assistance under the Education of the Handicapped Act to assist severely handicapped infants, children, and youth to improve their educational op-

portunities through the use of assistive device resource centers, and for other purposes; to the Committee on Labor and Human Resources.

TECHNOLOGY TO EDUCATE CHILDREN WITH HANDICAPS ACT

Mr. KERRY. Mr. President, I rise to introduce a very important piece of legislation on behalf of myself and Senators WEICKER, STAFFORD, KENNEDY, SIMON, and METZENBAUM, all of whom have a long and distinguished record in helping to improve the lives of citizens with disabilities.

This legislation will really make a positive difference in the lives of children with special needs. The Technology to Educate Children With Handicaps Act or the "Tech" bill, which I might add has been endorsed by over 20 national organizations who represent citizens with disabilities, establishes assistive device resource centers in each State. The purpose of these centers is to act as a resource so that handicapped children, through the use of technology, can gain more independence in the classroom and more independence in their social activities.

In our society from the very first day that a physically challenged infant is born, a host of barriers confront him. And parents of handicapped children are forced to face restrictions in their everyday lives. I cannot tell you the number of times that I have heard from parents about how they must devote each waking hour to making sure that their child is getting a fair and appropriate education; and often being too exhausted to offer any time to other children or even a spouse. But, why does that situation frequently occur? Basically, it is the fear of the unknown. Educators often are afraid of what they do not understand. Children who are nonverbal, children who use wheelchairs and children who have no control over the use of their arms and legs can be quite intimidating to someone who has not had the opportunity to learn about the unlimited potential that a handicapped child possesses.

The legislation that we are introducing today is designed to eliminate the uncomfortable, unfortunate and frankly, unnecessary educational barriers that face our special needs children through the use of technology. In Massachusetts alone, there are approximately 130,000 children who can benefit from the "Tech" bill and nationally the number is close to 4.5 million. The legislation amends the Education of the Handicapped Act by including a new discretionary program. It authorizes \$20 million in fiscal year 1988, and the authorization is extended for 3 years. It also includes a State match of 30 percent the first year and then 35 percent and 40 percent for fiscal year 1990. The purpose of the "Tech" bill is to ensure that handicapped children have the oppor-

tunity to reach their educational potential through the use of assistive device technology which will enable them to maximize their learning capability. Whether it is the most advanced microcomputer to help a child communicate or a special seating system so that a child can sit up straight and participate in activities around him, assistive devices can mean the difference between sitting alone in a corner of a classroom or joking and playing with a fellow classmate.

Assistive device resource centers provide a number of services to handicapped children and their families. The centers will set up statewide service delivery systems. The centers assess the needs of, and train specialists to assess the needs of handicapped children, in order to determine what type of assistive device is most appropriate for a child in order to help him get the most out of school. Once it is decided what kind of assistive device is right for a child the center will help find funding for the assistive device. Whether it is working with a computer company to have one donated, contacting a private insurer or work out a payment scheme, grants under the Education of the Handicapped Act or even Medicaid funds, the resource center will help parents and their children get an assistive device. The resource center is there to train parents and educators in how to use assistive devices so that they feel comfortable with the device. The resource center will provide followup services with the schools and families to make sure that everything is going well. And then when a child outgrows his device and is ready to move on to more advanced equipment, the resource center is there to help find new equipment, and to act as a sort of clearinghouse for the old equipment so that another child can use the assistive device. And finally assistive device resource centers will disseminate information throughout the States on assistive devices and their availability.

Our Nation has entered the high-technology age. We have reached an era that is dominated by sophisticated computer technology. At a time when every classroom and many households have personal computers it seems particularly appropriate for handicapped children who can benefit most from such technology be able to access it. We have universities and advanced hospitals who have already demonstrated the success of assistive device technology. Let's offer them a boost. Let's take the models that we have in various parts of the country and apply their expertise nationwide, and therefore offer these excellent services to all handicapped children throughout America.

Before I close I would like to briefly tell you about a Massachusetts resi-

dent who I met this morning. His name is Ricky Hoyt. He has cerebral palsy, is nonverbal, has limited mobility, and uses a wheel chair. When I met Ricky, through the use of his synthesized talking computer activated by a head switch, Ricky told me what assistive devices have meant to him. After years of frustration of not being able to communicate he now can. He has an active social and recreational life. Rick and his father have been in the Boston marathon several times and currently Rick is attending Boston University and getting a degree in rehabilitation engineering and counseling. Rick told me that assistive devices have made this all possible and that he plans to devote his efforts to ensure that the "Tech" bill is enacted into law.

Mr. President, I thank my distinguished colleagues for their support of the "Tech" bill. I look forward to technology hearings this fall in the Subcommittee on the Handicapped, and I urge my colleagues to join this effort which will really make a tremendous difference to handicapped children. Mr. President, I ask unanimous consent that the bill be printed in the RECORD. I also ask for unanimous consent that a list of the national organizations who have endorsed the "Tech" bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Technology To Educate Children With Handicaps Act".

FINDING; DECLARATION OF PURPOSE

SEC. 2. (a) FINDINGS.—The Congress finds that assistive devices are beneficial in helping severely handicapped infants, children, and youth improve their educational performance and increase their interaction with other handicapped and nonhandicapped children in the least restrictive environment.

(b) PURPOSE.—Therefore, it is the purpose of this Act to provide financial assistance for the establishment of assistive device resource centers in each State to allow severely handicapped infants, toddlers, children, and youths to reach their maximum potential in least restrictive environments.

ASSISTIVE DEVICE RESOURCE CENTERS PROGRAM AUTHORIZED

SEC. 3. (a) PROGRAM AUTHORIZED.—Part G of the Education of the Handicapped Act is amended—

(1) by inserting before section 661 the following:

"Subpart 1—General Authority"; and

(2) by adding at the end thereof the following new subpart:

"Subpart 2—Assistive Device Resource Centers

"ASSISTIVE DEVICE RESOURCE CENTERS AUTHORIZED

"SEC. 663. (a) PROGRAM AUTHORIZED.—The Secretary shall, from amounts appropriated pursuant to section 669, make grants to States to pay the Federal share of the cost of establishing assistive device resource centers, in accordance with the provisions of this subpart.

"ALLOTMENT

"SEC. 664. The Secretary shall, from the amount appropriated for this subpart for each fiscal year, allot to each State an amount which bears the same ratio to such amount as the number of children with handicaps counted under section 611 of this Act for the fiscal year prior to the fiscal year for which the determination is made bears to the total number of such children in all States, except that no State shall receive less than \$150,000.

"SERVICES

"SEC. 665. (a) ELIGIBILITY FOR SERVICES.—Each assistive device resource center established with assistance under this subpart shall serve—

"(1) severely handicapped infants and toddlers as defined by the State in the application required under this subpart;

"(2) severely handicapped children and youth as defined in the State application approved under this subpart; and

"(3) severely handicapped individuals who have attained 21 years of age if the State plan prescribes a targeted population of handicapped individuals who have attained 21 years of age.

"(b) SCOPE OF CENTER SERVICES.—Each center receiving assistance under this subpart shall—

"(1) train and assist specialists in local educational agencies and nonprofit community organizations to evaluate a handicapped student's potential to benefit from the use of assistive devices;

"(2) instruct teachers, therapists, paraprofessionals, parents, family members, other significant individuals, and handicapped students in the appropriate use of assistive devices;

"(3) provide follow-up services for individuals who have received services by the center when appropriate and collect data to determine the effectiveness of the services provided;

"(4) develop a statewide service delivery system for severely handicapped infants, toddlers, children, and youth that ensures all handicapped children and local educational agencies have access to the services of the center;

"(5) have the ability to assist in the development, design, fabrication, and modification of assistive devices to meet the needs of handicapped individuals;

"(6) disseminate information to local educational agencies and nonprofit community organizations on assistive devices and their availability; and

"(7) provide in-service training to specialists, teachers, administrators, parents, families, and other significant individuals working with handicapped students on the benefits of assistive devices to promote improved educational performance and increased interaction between handicapped and nonhandicapped individuals.

"(c) PRIORITY OF SERVICE; CONSTRUCTION.—(1) Each State shall assure priority of services for handicapped infants, tod-

dlers, children, and youth from birth through age 21.

"(2) Nothing in this subpart precludes the provision of services available from the assistive device resource center to handicapped individuals who are no longer eligible for services under the Education of the Handicapped Act.

"(d) ADVISORY COMMITTEE.—(1) Each center receiving assistance under this subpart shall establish an Advisory Committee.

"(2) No Federal funds may be used for the operations of the Advisory Committee.

"APPLICATIONS

"SEC. 666. (a) APPLICATIONS REQUIRED.—Each State desiring to receive its allotment under this subpart shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS OF APPLICATIONS.—(1) Each such application shall—

"(A) describe the manner in which the State will carry out a plan to meet the requirements of this subpart;

"(B) describe the severely handicapped infants, toddlers, children, and youth who will be eligible for services provided through assistance under this subpart;

"(C) describe the types of services that will be offered by the assistive device resource center and the manner in which services will be provided;

"(D) provide assurances that the State will ensure that activities of the assistive device resource center are coordinated with Rehabilitation Engineering Centers in the State;

"(E) describe the procedures that will be used to evaluate the effectiveness of the services provided by the assistive device resource center;

"(F) provide assurances that the State will use Federal funds only to supplement and increase the level of State and local funds expended for assistive device resource centers for handicapped infants, toddlers, children, and youth and in no case to supplant such State and local funds;

"(G) provide assurances that the State will pay from non-Federal sources the non-Federal share of the cost of the application; and

"(H) provide such additional assurances as the Secretary requires to carry out the provisions of this subpart.

"(2) Each application submitted under paragraph (1) shall be submitted by the Governor of the State for a period not to exceed 3 fiscal years.

"(3) Any public agency or private nonprofit organization or institution may submit an application to the State for a grant to establish an assistive device resource center in the State to carry out the services describe in subsection (c).

"PAYMENTS; FEDERAL SHARE

"SEC. 667. (a) PAYMENT RULE.—The Secretary shall pay to each State having an application approved under section 664 the Federal share of the cost of the activities described in the application.

"(b) FEDERAL SHARE.—The Federal share shall be—

"(1) 70 percent for fiscal year 1988;

"(2) 65 percent for fiscal year 1989; and

"(3) 60 percent for fiscal year 1990.

"DEFINITIONS

"SEC. 668. For the purpose of this subpart—

"(1) the term 'assistive devices' includes adaptive learning devices, mobility and seating systems, augmentative communications systems, writing and reading devices, and environmental control devices;

"(2) the term 'assistive device resource center' means a center established by a public agency or a private nonprofit organization or institution designed to facilitate the appropriate use of commercial and non-commercial available devices that will assist severely handicapped infants, toddlers, children, and youth, and other handicapped individuals to reach their maximum potential; and

"(3) the term 'severely handicapped infants, toddlers, children, and youth' means handicapped infants, toddlers, children, and youth who, because of the intensity of their physical, mental, or emotional problems, need specialized educational and technological services in order to reach their maximum potential in the least restrictive environment.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 669. There are authorized to be appropriated to carry out the provisions of this subpart \$20,000,000 for the fiscal year 1988 and such sums as may be necessary for each succeeding fiscal year ending prior to October 1, 1990."

(b) TECHNICAL AMENDMENT.—Section 662 of such Act is amended by striking out "part" and inserting in lieu thereof "subpart".

GROUPS WHO HAVE ENDORSED THE KERRY TECH LEGISLATION

American Association of University Affiliated Programs.

American Association of Mental Deficiency.

American Occupational Therapy Association.

American Physical Therapy Association.

American Speech Language Hearing Association.

Association for Education of Rehabilitation Personnel.

Association for Children and Adults with Learning Disabilities.

Association for Retarded Citizens.

Association for Advance Rehabilitation Technology.

Child Welfare League of America.

Conference of Education Administrators Serving the Deaf.

Council of Organizational Representatives.

Disability Rights and Defense Fund.

Epilepsy Foundation.

Federation of Children with Special Needs.

National Association of Protection and Advocacy Systems.

National Association of Rehabilitation Professionals in the Private Sector.

National Association of State Directors of Special Education.

National Council on Rehabilitation Education.

National Easter Seal Society.

National Head Injury Foundation.

Spina Bifida Association of America.

United Cerebral Palsy Association.

TECHNOLOGY TO EDUCATE CHILDREN WITH HANDICAPS ACT

Mr. WEICKER. Mr. President, I am proud to be an original cosponsor of the Technology to Educate Children With Handicaps Act, a bill introduced today by Senator JOHN KERRY. This important legislation will amend the Education of the Handicapped Act to

add a new section authorizing grants to States for establishing assistive devices resource centers to help integrate severely handicapped infants and children into the classroom through the use of technology. These centers will be required to develop a statewide system of service delivery to ensure that disabled children have access to the services of the resource center. They will further be able to train parents, educators, and disabled children themselves on the use of these technological devices.

Technology for individuals with disabilities is clearly an important and evolving area which has proven its value in assisting individuals with severe disabilities to be more independent, and thus more integrated into the mainstream. Last year the amendments to the Rehabilitation Act recognized the value of technology through its emphasis on rehabilitation engineering as a means of getting people with disabilities into the competitive work force. This bill recognizes the equally important role that technology can play in reducing barriers in communication, mobility, self-direction, and learning in the lives of children who have severe disabilities.

This measure will be referred to the Subcommittee on the Handicapped, now chaired by Senator HARKIN. Under his leadership, the subcommittee intends to hold hearings on the use of technology to benefit the Nation's disabled citizens, and the measure being introduced today merits careful consideration by the subcommittee as it develops comprehensive technology legislation.

I look forward to working with Senator KERRY, Senator HARKIN, and the cosponsors of this legislation to ensure that individuals with disabilities are able to access the technology which can make the difference between dependence and independence, and a life of dignity and fulfillment for millions of Americans.

Mr. STAFFORD. Mr. President, I am pleased to join my colleagues, Senator KERRY and Senator WEICKER, as an original cosponsor of the Technology to Educate Children Act of 1987. This legislation will provide funds to States to establish assistive devices resource centers. These centers will in turn help local school districts with their important task of integrating severely handicapped youngsters in our public schools.

Technology to assist the disabled has made dramatic strides in recent years. Previously isolated individuals are now able to communicate with specially equipped computer terminals. People with severe physical handicaps have new found mobility because of advances in rehabilitation engineering. I am sure many of us know someone personally who has benefited from this remarkable new technology.

This legislation will bring state-of-the-art technology services within reach of urban as well as rural communities around the Nation. Very severely disabled children for whom a least restrictive school placement was once a hospital room will be able to attend their neighborhood schools with the benefit of services made available through assistive devices centers.

In summary, technological advances which once served only the most fortunate among us will be available to everyone.

When Congress enacted Public Law 94-142, the Education of All Handicapped Children Act, the discretionary programs were included to enable States, universities, and other grant recipients to keep pace with evolutions in the field of special education. Their inclusion demonstrated an awareness that the kinds of services which would be needed to truly integrate handicapped people in the mainstream of public education would change over time. We have entered a technological era that holds great promise for physically and mentally challenged children and adults. The legislation being introduced today is modest in scope but limitless in the future opportunities it holds for handicapped people of all ages. I commend Senator KERRY and Senator WEICKER for their leadership on this issue, and encourage my Senate colleagues to join me in cosponsoring this legislation.

By Mr. D'AMATO:

S. 1587. A bill to authorize the minting of commemorative coins to support the training of American athletes participating in the 1988 Olympic Games; to the Committee on Banking, Housing, and Urban Affairs.

1988 OLYMPIC COMMEMORATIVE COIN ACT

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation authorizing the minting of gold and silver commemorative coins next year memorializing the competition of U.S. athletes in the 1988 winter and summer Olympic Games. These coins will help raise the funds needed for the support and training of America's athletes. In so doing, I am pleased and proud to be following my distinguished friend from Illinois, Congressman FRANK ANNUNZIO, who has introduced the companion bill in the other body, H.R. 2741.

Across America, thousands of our finest athletes are in training today for the 1988 U.S. Olympic teams. Many of them are making great personal sacrifices in the sole hope of representing the land they love at the highest level of international competition. Thousands of hours of lonely practice must be put into the goal of standing on the victory platform while the American flag is raised, and our

National Anthem is played. As the hearts of Americans swell with pride.

This idea is not novel. It has helped before to make a significant contribution to the support of America's athletes. In 1982, Congress authorized a similar minting of commemorative coins for the 1984 Los Angeles Olympic Games. Sale of those coins raised \$73.5 million for the U.S. Olympic Committee, making it possible for the USOC to distribute \$6.4 million to the amateur sports organizations responsible for the promotion of particular amateur sports. This money played a significant role in enabling our competitors to win more medals in the 1984 summer games than ever won by any nation at a single olympiad.

An additional \$31.7 million in money raised from these sales helped fund the United States Olympic Foundation.

While that money has been a tremendous help to the Olympic Committee, the costs of participating in the Olympic Games continue to rise. This new minting should help raise millions of badly needed dollars so that American athletes can have the facilities necessary to fully realize their potential and do their best at the games.

This bill authorizes the minting of 1 million gold coins and 10 million silver coins to be sold directly by the U.S. Mint to the public. A surcharge attached to the coins will go directly to the U.S. Olympic Committee to support local amateur programs and erect facilities for athletic training.

The legislation directs, incidentally, that the coins be sold at no net cost to the Government.

Mr. President, I am pleased to join Congressman ANNUNZIO in sponsoring this effort and I sincerely hope all of my colleagues will join me in supporting our Olympic athletes.●

ADDITIONAL COSPONSORS

S. 680

At the request of Mr. CHAFEE, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 680, a bill to prohibit the use of subtherapeutic doses of penicillin, chlortetracycline, and oxytetracycline in animal feed.

S. 889

At the request of Mr. GORE, the names of the Senator from Missouri [Mr. DANFORTH], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 889, a bill to amend the Communications Act of 1934 to provide for fair marketing practices for certain encrypted satellite communications.

S. 909

At the request of Mr. REID, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 909, a bill to require that all amounts saved as a result of Federal

Government contracting pursuant to Office of Management and Budget Circular A-76 be returned to the Treasury, that manpower savings resulting from such contracting be made permanent, and that employees of an executive agency be consulted before contracting determinations by the head of that executive agency are made pursuant to that circular.

S. 1085

At the request of Mr. GLENN, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from Maine [Mr. COHEN], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 1085, a bill to create an independent oversight board to ensure the safety of U.S. Government nuclear facilities, to apply the provisions of OSHA to certain Department of Energy nuclear facilities, to clarify the jurisdiction and powers of Government agencies dealing with nuclear wastes, to ensure independent research on the effects of radiation on human beings, and for other purposes.

S. 1142

At the request of Mr. SHELBY, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1142, a bill to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama.

S. 1436

At the request of Mr. DANFORTH, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 1436, a bill to amend the Hazardous Materials Transportation Act regarding the transportation by rail of certain materials, and for other purposes.

S. 1438

At the request of Mr. DURENBERGER, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1438, a bill to assist rural hospitals facing unfair Medicare payment policies.

S. 1440

At the request of Mr. EVANS, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1440, a bill to provide consistency in the treatment of quality control review procedures and standards in the Aid to Families with Dependent Children, Medicaid and Food Stamp programs; to impose a temporary moratorium for the collection of penalties under such programs, and for other purposes.

S. 1503

At the request of Mr. HEFLIN, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1503, a bill to cancel repayment of the community disaster loan made to the city of Prichard, Alabama.

S. 1511

At the request of Mr. MOYNIHAN, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cospon-

sor of S. 1511, a bill to amend title IV of the Social Security Act to replace the AFDC program with a comprehensive program of mandatory child support and work training which provides for transitional child care and medical assistance, benefits improvement, and mandatory extension of coverage to two-parent families, and which reflects a general emphasis on shared and reciprocal obligation, program innovation, and organizational renewal.

S. 1550

At the request of Mr. MOYNIHAN, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Maine [Mr. MITCHELL], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Louisiana [Mr. BREAUX], the Senator from Nevada [Mr. REID], the Senator from Florida [Mr. GRAHAM], the Senator from Vermont [Mr. STAFFORD], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 1550, a bill to complete the Federal Triangle in the District of Columbia, to construct a public building to provide Federal office space and space for an international cultural and trade center, and for other purposes.

SENATE JOINT RESOLUTION 41

At the request of Mr. GLENN, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Arkansas [Mr. BUMPERS], the Senator from Alabama [Mr. SHELBY], the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Connecticut [Mr. WEICKER], the Senator from Iowa [Mr. GRASSLEY], the Senator from Washington [Mr. ADAMS], the Senator from Idaho [Mr. MCCLURE], and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of Senate Joint Resolution 41, a joint resolution to designate the period commencing on November 22, 1987, and ending on November 29, 1987, as "National Family Caregivers Week".

SENATE JOINT RESOLUTION 53

At the request of Mr. CRANSTON, the names of the Senator from New Mexico [Mr. DOMENICI] and the Senator from Utah [Mr. HATCH] were added as cosponsors of Senate Joint Resolution 53, a joint resolution to designate the period commencing November 22, 1987, and ending November 28, 1987, as "American Indian Week".

SENATE JOINT RESOLUTION 106

At the request of Mr. BINGAMAN, the names of the Senator from Connecticut [Mr. WEICKER], the Senator from New Hampshire [Mr. RUDMAN], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Vermont [Mr. STAFFORD], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Nebraska [Mr. EXON], the Senator from California [Mr.

WILSON], and the Senator from Utah [Mr. HATCH] were added as cosponsors of Senate Joint Resolution 106, a joint resolution to recognize the Disabled American Veterans Vietnam Veterans National Memorial as a memorial of national significance.

SENATE JOINT RESOLUTION 173

At the request of Mr. REID, the names of the Senator from New Mexico [Mr. BINGAMAN], the Senator from New York [Mr. D'AMATO], the Senator from Rhode Island [Mr. PELL], the Senator from Wisconsin [Mr. PROXMIER], and the Senator from Illinois [Mr. DIXON] were added as cosponsors of Senate Joint Resolution 173, a joint resolution to commemorate the 200th anniversary of the signing of the United States Constitution.

AMENDMENT NO. 591

At the request of Mr. DANFORTH, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of amendment No. 591 intended to be proposed to S. 328, a bill to amend chapter 39, United States Code, to require the Federal Government to pay interest on overdue payments, and for other purposes.

SENATE RESOLUTION 267—TO RECOGNIZE RACHEL CARSON ON THE 25TH ANNIVERSARY OF HER BOOK "SILENT SPRING"

Mr. MITCHELL (for himself and Mr. COHEN) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 267

Whereas Rachel Carson, through her writings and work, made unprecedented contributions to public awareness and understanding of the natural environment and environmental issues;

Whereas her book, "Silent Spring," awakened the American public to the dangers posed by the misuse of chemical pesticides;

Whereas "Silent Spring" helped foster general public concern for the integrity of the natural environment and for the environmental threats posed by pollution of the water, air, and land;

Whereas the growth of environmental consciousness that occurred in the years following "Silent Spring" provided the foundation necessary for the enactment of our existing environmental laws;

Whereas continued public understanding of the natural environment is essential to the continued success of efforts to identify and respond to pollution problems; and

Whereas 1987 is the twenty-fifth anniversary of Rachel Carson's book, "Silent Spring": Now, therefore, be it

Resolved, That it is the sense of the Senate to recognize the outstanding contributions of Rachel Carson to public awareness and understanding of environmental issues on the twenty-fifth anniversary of her book, "Silent Spring".

● Mr. MITCHELL. Mr. President, I rise today to submit a resolution commemorating the 25th anniversary of Rachel Carson's classic work "Silent Spring."

I am pleased that Senator COHEN, the senior Senator from our home State of Maine, is joining me in submitting this resolution. Ms. Carson lived and worked in Maine for many years. And, a major wildlife refuge on the Maine coast bears her name.

The publication of "Silent Spring" forever changed America's environmental landscape. It contributed to an awakening of public awareness to a range of environmental problems and helped generate the environmental consciousness which is the foundation of our existing environmental laws.

"Silent Spring" brought to light the grave effect commonly used pesticides were having upon our environment. Ms. Carson documented the toxic nature of many pesticides and identified the threats they posed to the quality of surface and ground waters, to wildlife, and to humans.

Ms. Carson's work generated immediate controversy. The book was praised for its assessment of the environmental impact of chemical pesticides and its translation of technical data into a readable and understandable discussion. At the same time, the book was attacked by some who called it alarmist and challenged the quality of its research.

Through all the controversy, one thing has never been in doubt: the public appeal of the book has always been overwhelming. To this date, over 1½ million copies have been printed.

"Silent Spring" was not Rachel Carson's only contribution to our understanding and appreciation of the natural world. She published several books relating to Maine and the environment, including "The Sea Around Us," "The Edge of the Sea," and "Under the Sea Wind."

The greatest tribute to the work of Rachel Carson has already been paid to her by the American people. Over the last 25 years we have made tremendous strides in the field of environmental protection. The Congress has enacted statutes to protect the quality of air and water. We have made great strides to control hazardous wastes, to clean up neglected and dangerous waste disposal sites, and to ensure the safe use of pesticides and other chemicals. And, we are working to improve and expand these laws as new problems arise.

We have seen the inception of a Federal agency to manage environmental problems. And, at the State level, environmental agencies have been established and State legislatures have enacted a wide range of statutes designed to further protect our environment and public health. The greatest tribute to Rachel Carson's work is our commitment to protecting the environment.

The closing chapter of "Silent Spring" is titled "The Other Road" and begins with the following words:

We stand now where two roads diverge. But unlike the roads in Robert Frost's familiar poem, they are not equally fair. The road we have long been traveling is deceptively easy, a smooth superhighway on which we progress with great speed, but at its end lies disaster. The other fork of the road—the one "less traveled by"—offers our last, our only chance to reach a destination that assures the preservation of our earth. The choice, after all, is ours to make. If, having endured much, we have at last asserted our "right to know" and if, knowing, we have concluded that we are being asked to take senseless and frightening risks, then we should no longer accept the counsel of those who tell us that we must fill our world with poisonous chemicals; we should look about and see what other course is open to us.

Millions of Americans have considered this choice over the past 25 years. Overwhelmingly, they have chosen to pass laws and build programs which will ensure the continued protection of our environment and public health.

In closing, let me say that if Rachel Carson could be with us today, I hope she would be pleased. Pleased to see that the American people have risen to the challenge she laid before them in "Silent Spring." Pleased to see that we are continuing to work together to ensure that we will never have to face a silent spring.●

● Mr. COHEN. Mr. President, it is now 25 years since Rachel Carson, an adopted daughter of Maine, warned of the dangers that man-made pollutants, particularly pesticides, pose to our environment and ourselves.

"We stand now where two roads diverge," she wrote in 1962 in "Silent Spring," her compelling work that told of communities where birds had been silenced by the toxic effects of pesticides. I am pleased to join my distinguished colleague from Maine, Senator MITCHELL, in submitting a resolution commemorating the 25th anniversary of the publication of "Silent Spring."

Rachel Carson dedicated her life to educating us about the need to protect our world now in order to preserve it for future generations. "We could," she wrote, "continue to poison our environment with chemicals designed to destroy the Earth's insect population, or we could undertake an alternate means of natural control and environmental cleanup."

In the quarter century since she first sounded the alarm, we have made tremendous progress in cleaning up our world. Legislation has been enacted to protect our air and water, and we in Congress continue to make strides in tightening those environmental controls.

We have also passed laws, such as the Resource Conservation and Recovery Act, to govern the disposition of toxic and solid waste, and the Superfund law to assist in safe cleanup when the procedures for proper disposal

sition were not followed. Other statutes protect our drinking water, our oceans, our marine mammals, and our coastal areas. We've taken the lead out of most of our gasoline and the asbestos out of most of our buildings. DDT is no longer used on our crops.

But considerable dangers remain. We still have not figured out how to get rid of PCB's. Dioxin contamination continues to be a problem, and the chemical chlordane is still forcing people from their homes, 25 years after Rachel Carson questioned its household use.

Our last attempt to rewrite and strengthen the Federal pesticide law foundered last year, the victim of a clogged congressional calendar, political disagreements among environmentalists and the chemical industry, and a battle over States rights.

And there is clearly other work in the environmental area that remains to be done. We in Congress have not really tackled the question of ground water pollution, for example, and there still are many more chemical hazards in the food chain, the workplace and elsewhere that we must address.

But it is fitting that we pause at this 25-year milestone and remember Rachel Carson, who provided much of the impetus for the cleanup and chemical control efforts of recent years. To honor her memory—she died in 1964, just 2 short years after publication of "Silent Spring"—Senator MITCHELL and I are sponsoring this resolution to recognize the outstanding contributions that she made to the public understanding of environmental issues.

Rachel Carson loved Maine, and we are quite proud of the national wildlife refuge on our south coast that is named in her honor. She wrote:

The shore is an ancient world, for as long as there has been an Earth and sea there has been this place of the meeting of land and water. Yet it is a world that keeps alive the sense of continuing creation and of the relentless drive of life. Each time that I enter it, I gain some new awareness of its beauty and its deeper meanings, sensing that intricate fabric of life by which one creature is linked with another, and each with its surroundings * * *.

Without Rachel Carson's efforts at environmental education, I daresay we would not have come as far in the protection of our world and the recognition of potential threats to human health and the environment. I urge my Senate colleagues to join the 53 cosponsors of this resolution in honoring the landmark work of Rachel Carson and dedicating ourselves to carrying on with that effort. ●

AMENDMENTS SUBMITTED

IMPLEMENTATION OF PROVISIONS OF ANNEX V TO THE INTERNATIONAL CONVENTION FOR THE PREVENTION OF POLLUTION FROM SHIPS

CHAFEE AMENDMENT NO. 656

(Ordered referred to the Committee on Environment and Public Works.)

Mr. CHAFEE submitted an amendment intended to be proposed by him to the bill (S. 560) to implement the provisions of Annex V to the International Convention for the Prevention of Pollution from Ships, as modified by the Protocol of 1978; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: That the purpose of this Act is to amend the Act to Prevent Pollution from Ships to implement Annex V, Regulations for the Prevention of Pollution by Garbage from Ships.

SEC. 2. Section 2 of the Act to Prevent Pollution from Ships is amended as follows:

(a) Paragraph (1) is amended to read as follows:

"(1) 'MARPOL Protocol' means the Protocol of 1978 relating to the International Convention for the Prevention of Pollution from Ships, 1973, and includes the 'Convention'."

(b) Paragraph (2) is amended by striking all after "Annexes I" and substituting ", II, and V thereto, including any modifications or amendments to the Convention, Protocols, or Annexes which have entered into force for the United States;"

(c) Paragraph (3) is amended after "discharge" by inserting "and 'garbage'".

SEC. 3. Section 3 of the Act to Prevent Pollution from Ships is amended as follows:

(a) Subsection (a) is amended to read as follows:

"(a) This Act applies to—
"(1) except as provided in paragraph (2) of this subsection,

"(A) a ship of United States registry or nationality, or one operated under the authority of the United States, wherever located; and

"(B) a ship, other than a ship referred to in clause (A) of this paragraph, while in the navigable waters of the United States.

"(2) with respect to subsection (c)(2) of this section, section 4(a)(3), section 8(d), section 9(f)(2), and section 11(c) of this Act, a ship which is not of the registry, of the nationality, or operated under the authority of a party to Annex V of the Convention, while in the navigable waters of the United States or the exclusive economic zone of the United States.

"(3) with respect to regulations under section 6 of this Act, any port or terminal in the United States."

(b) Subsection (c) is amended to read as follows:

"(c)(1) The Secretary shall prescribe regulations applicable to the ships of a country not a party to the MARPOL Protocol to ensure that their treatment is not more favorable than that accorded ships of parties to the MARPOL Protocol.

"(2) The Secretary shall adopt regulations conforming to and giving effect to Annex V of the Convention.

SEC. 4. Section 4(a) of the Act to Prevent Pollution from Ships is amended to read as follows:

"(a) Unless otherwise specified in this Act, the Secretary shall administer and enforce the MARPOL Protocol and this Act. In the administration and enforcement of the MARPOL Protocol and this Act—

"(1) except as provided in paragraphs (2) and (3) of this subsection, the MARPOL Protocol and this Act apply to all ships;

"(2) Annexes I and II of the Convention and this Act apply only to seagoing ships; and,

"(3) this Act applies to all ships referred to in section 3(a)(2) of this Act.

SEC. 5. Section 6 of the Act to Prevent Pollution from Ships is amended as follows:

(a) Subsection (a) is amended by—

(1) inserting "(1)" immediately after "(a)";

(2) in the first sentence of newly designated subsection (a)(1), after "reception facilities", inserting "for mixtures containing oil or noxious liquid substances";

(3) adding a new paragraph (2) to read as follows:

"(2) The Secretary, after consulting with appropriate Federal agencies, shall establish regulations respecting the adequacy of reception facilities for garbage at a port or terminal, and shall specify the ports or terminals which shall be required to provide such reception facilities. Persons in charge of ports and terminals shall provide reception facilities for receiving garbage in accordance with those regulations."

(b) Subsection (b) is amended after "reception facilities" by inserting ", and in establishing regulations under subsection (a) of this section," and after "seagoing ships" inserting ", or, as appropriate, ships,"

(c) Subsection (c) is amended by striking "the MARPOL Protocol" and substituting "Annexes I and II of the Convention".

(d) Subsection (e) is amended by—

(1) inserting "(1)" immediately after "(e)";

(2) striking "(1)" and substituting "(A)";

(3) striking "(2)" and substituting "(B)";

(4) in clause (A), as redesignated by this subsection, striking "the MARPOL Protocol" and substituting "Annexes I and II of the Convention"; and

(5) adding a new paragraph (2) to read as follows:

"(2) The Secretary may deny the entry of a ship to a port or terminal required by regulations issued under this section to provide reception facilities for garbage if the port or terminal is not in compliance with those regulations."

SEC. 6. Section 8 of the Act to Prevent Pollution from Ships is amended as follows:

(a) Subsection (c) is amended by—

(1) inserting "(2)" immediately after "(c)";

(2) striking "(1)" and substituting "(A)";

(3) striking "(2)" and substituting "(B)";

(4) in clause (A) as redesignated by this subsection, after "harmful substance" inserting "or disposed of garbage";

(5) in clause (B) as redesignated by this subsection—

(A) after "harmful substance" inserting "or disposed of garbage";

(B) after "that a discharge", inserting "or a disposal";

(6) In paragraph (2) as redesignated by this subsection, in the last sentence, striking "If a report made under this subsection involves a ship other than one of United States registry or nationality or one operated under the authority of the United States," and capitalizing "the" immediately following the struck words.

(7) before the newly redesignated paragraph (2) inserting new paragraph (1) to read as follows:

"(1) This subsection applies to inspections respecting—

"(A) possible violations of Annex I or Annex II of the Convention by any seagoing ship referred to in section 3(a)(1)(B) of this Act, and

"(B) possible violations of Annex V of the Convention by any ship of the registry, of the nationality, or operated under the authority of a party to Annex V of the Convention other than the United States."

(b) After subsection (c) add new subsections (d) and (e) as follows:

"(d)(1) This subsection applies to inspections respecting possible violations of the regulations adopted under section 3(c)(2) of this Act by any ship referred to in section 3(a)(2) of this Act.

"(2) To the extent authorized by international law, a ship may be inspected by the Secretary to verify whether or not the ship has disposed of garbage in violation of the regulations adopted under section 3(c)(2) of this Act.

"(3) If an inspection under this subsection indicates that a violation has occurred, the Secretary may undertake, in accordance with international law, enforcement action under section 9 of this Act.

"(e)(1) This subsection applies to inspections respecting possible violations of the MARPOL Protocol by any ship of United States registry or nationality, or operating under the authority of the United States.

"(2) The Secretary may inspect at any time a ship to which the MARPOL Protocol applies to verify whether or not the ship has discharged a harmful substance or disposed of garbage in violation of that Protocol.

"(3) If an inspection under this subsection indicates that a violation has occurred, the Secretary may undertake enforcement action under section 9 of this Act.

(c) Redesignate subsection "(d)" as subsection "(f)".

SEC. 7. Section 9(f) of the Act to Prevent Pollution from Ships is amended as follows:

(a) Insert "(1)" immediately after "(f)".

(b) In paragraph (1) as redesignated by this section, strike "by a ship registered in or of the nationality of a country party to the MARPOL Protocol, or one operated under the authority of a country party to the MARPOL Protocol," and substitute "one which is referred to in section 8(c)(1) of this Act," and strike "to that country" and substitute "to the government of the country of the ship's registry or nationality, or under whose authority the ship is operating".

(c) Add a new paragraph (2) to read as follows:

"(2) Any action taken under this section with respect to violations of regulations adopted under section 3(c)(2) of this Act shall be in accordance with international law."

SEC. 8. Section 10 of the Act to Prevent Pollution from Ships is amended as follows:

(a) In subsection (a), strike "Inter-Governmental Maritime Consultative Organization", and substitute "International Maritime Organization".

(b) In subsection (b), strike "Annex I or II, appendices to the Annexes, or Protocol I of the MARPOL Protocol," and substitute "Annexes I, II, or V, appendices to those Annexes, or Protocol I of the Convention", and strike "Inter-Governmental Maritime Consultative Organization" and substitute "International Maritime Organization".

SEC. 9. Section 11 of the Act to Prevent Pollution from Ships is amended as follows:

(a) After subsection (b) add a new subsection (c) to read as follows:

"(c) Any person suffering damage or loss from any action of the Secretary, taken pursuant to section 8(d) or section 3(c)(2) of this Act, which is alleged to have been unlawful or to have exceeded that which is reasonably required in the light of available information may bring an action under this section to recover compensation for that damage or loss."

(b) Change existing subsections "(c)" through "(e)" to "(d)" through "(f)" respectively.

SEC. 10. (a) Except as provided in subsection (b) of this section, this Act shall be effective on the date Annex V of the Convention enters into force in the United States.

(b) The authority to adopt and issue regulations under this Act shall be effective on the date of enactment of this Act.

SEC. 11. Section 3(f) of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, (33 U.S.C. 1402(f)) is amended by inserting "or a discharge or disposal subject to regulation by the Act to Prevent Pollution from Ships, as amended," after "operation of motor-driven equipment on, vessels".

● Mr. CHAFEE. Mr. President, in February I introduced S. 560, a bill to implement the provisions of annex V to the International Convention for the Prevention of Pollution From Ships, commonly known as Marpol. My purpose in introducing this bill was to ensure that there would be no delay in considering legislation to implement the provisions of this important treaty.

Within the last few days the Coast Guard has completed a legislative proposal which, if enacted, will also implement the provisions of annex V. This legislative proposal is strongly supported by the administration, and forms a solid basis for a law to enact the provisions of annex V. I am therefore amending my original bill to reflect the proposed legislation received by the Senate on July 22 from the Secretary of Transportation.

I would ask that immediately following these remarks, the amendment to S. 560 appear in the RECORD.

Mr. President, last week I appeared before the Senate Foreign Relations Committee to testify on the importance of ratification of annex V of Marpol. In order for this annex to enter into force, the treaty must be ratified by nations representing at least 50 percent of the world's shipping tonnage. In July the Soviet Union announced that it had ratified annex V. This creates an opportunity for the United States. If, as is my hope, the Senate approves a resolution of advice and consent for annex V, nations representing more than 50 percent of the world's shipping tonnage will have ratified the treaty, and it will have the force of international law.

It is time that we stop using the ocean as a collective garbage dump for nondegradable materials. I strongly

urge the Committee on Foreign Relations to issue a favorable report on this treaty, and recommend to the full Senate that we ratify this important annex without delay.●

NOTICE OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a field hearing in Worland, WY, on Friday, August 14, 1987, to examine the problems confronting small businesses in Wyoming related to the difficult circumstances facing the energy industry. The hearing will be held at the Worland Elks' Club and will commence at 9 a.m. For further information, please call Chuck Culver of the committee staff at 224-3188, or Bonnie Cannon of Senator WALLOP's office at 224-0871.

Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on Thursday, September 17, 1987, on S. 818, a bill to provide permanent authorization for White House conferences on small business. The hearing will commence at 10 a.m. and will be held in room 428A of the Russell Senate Office Building. For further information, please call Todd Patterson of the committee staff at 224-3840.

Mr. President, I would like to announce that the Small Business Committee will hold a full committee oversight hearing on the Small Business Administration's Small Business Development Center Program on Tuesday, September 22, 1987. The hearing will be held in room 428A of the Russell Senate Office Building and will commence at 10 a.m. For further information, please call Patty Barker of the committee staff at 224-8495.

ADDITIONAL STATEMENTS

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Mr. Ken Apfel, a member of the staff of Senator BILL BRADLEY, to participate in a program in the People's Republic of China, organized by the United States-China Friendship

Program, in conjunction with the United States-Asia Institute, and sponsored by the Chinese People's Institute of Foreign Affairs, in August 1987.

The committee has determined that participation by Mr. Apfel in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Paul Vick, a member of the staff of Senator TERRY SANFORD, to participate in a program in the People's Republic of China, organized by the United States-China Friendship Program, and sponsored by the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, from August 8-24, 1987.

The committee has determined that participation by Mr. Vick in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Donald Hardy, a member of the staff of Senator ALAN K. SIMPSON, to participate in a program in the People's Republic of China, organized by the United States-China Friendship Program, and sponsored by the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, from August 8-24, 1987.

The committee has determined that participation by Mr. Hardy in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Catherine Porter, a member of the staff of Senator JOHN H. CHAFEE, to participate in a program in Japan, sponsored by the Congressional Economic Leadership Institute and paid for by the Japan-United States Friendship Commission, from August 8-15, 1987.

The committee has determined that participation by Ms. Porter, in the program in Japan, at the expense of the Japan-United States Friendship Commission, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Senator MITCH MCCONNELL, and two members of his staff, Niels Holch and Robin Cleveland, to participate in a program in the Republic of Turkey, sponsored by the Turkish For-

eign Policy Institute, from August 8-14, 1987.

The committee has determined that participation by Senator MCCONNELL, Mr. Holch, and Ms. Cleveland in the program in Turkey, at the expense of the Turkish Foreign Policy Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. J. Thomas Sliter, a member of the staff of Senator ROBERT C. BYRD, to participate in a program in the People's Republic of China, organized by the United States-China Friendship Program, and sponsored by the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, from August 8-25, 1987.

The committee has determined that participation by Mr. Sliter, in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Harry Broadman, a member of the staff of the Committee on Governmental Affairs, to participate in a program in the People's Republic of China, organized by the United States-China Friendship Program, and sponsored by the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, from August 8-25, 1987.

The committee has determined that participation by Mr. Broadman, in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Catherine Porter, a member of the staff of Senator JOHN H. CHAFEE, to participate in a program in South Korea, sponsored by the Ilhae Institute of Seoul, South Korea, from August 9-17, 1987.

The committee has determined that participation by Ms. Porter, in the program in South Korea, at the expense of the Ilhae Institute of Seoul, South Korea, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Gina Despres, a member of the staff of Senator BILL BRADLEY, to participate in a program in Japan, sponsored by the Policy Study Group of Japan.

The committee has determined that participation by Ms. Despres, in the program in Japan, at the expense of the Policy Study Group of Japan, is in

the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Kathleen Harrington, a member of the staff of Senator CHRISTOPHER J. DODD, to participate in a trip to Seoul, South Korea, sponsored by the Ilhae Institute of Seoul, South Korea, from August 8-17, 1987.

The committee has determined that participation by Ms. Harrington in the program in South Korea, at the expense of the Ilhae Institute of Seoul, South Korea, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Barbara Larkin, a member of the staff of Senator TERRY SANFORD, to participate in a program in South Korea, sponsored by the Ilhae Institute of Seoul, South Korea, from August 22-29, 1987.

The committee has determined that participation by Ms. Larkin, in the program in South Korea, at the expense of the Ilhae Institute of Seoul, South Korea, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Andrew Hyde, a member of the staff of Senator JOHN WARNER, to participate in a trip to Seoul, South Korea, sponsored by the Ilhae Institute of Seoul, South Korea, from August 9-17, 1987.

The committee has determined that participation by Mr. Hyde in the program in South Korea, at the expense of the Ilhae Institute of Seoul, South Korea, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. William Wight, a member of the staff of Senator JOHN WARNER, to participate in a program in the Republic of China on Taiwan, sponsored by Tunghai University, from August 8-16, 1987.

The Committee has determined that participation by Mr. Wight in the program in the Republic of China on Taiwan, at the expense of Tunghai University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Jennifer Hillman, a member of the staff of Senator TERRY SANFORD, to participate in a trip to Seoul, South Korea, sponsored by the Ilhae Institute of Seoul, South Korea, from August 9-17, 1987.

The committee has determined that participation by Ms. Hillman in the program in South Korea, at the expense of the Ilhae Institute of Seoul, South Korea, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule

35, for Ms. Mary D. Pembroke, a member of the staff of the Committee on Banking, Housing, and Urban Affairs, to participate in a program in the Republic of China, Taiwan, sponsored by the Chinese Culture University, from August 17-24, 1987.

The committee has determined that participation by Ms. Pembroke, in the program in the Republic of China, Taiwan, at the expense of the Chinese Culture University, is in the interest of the Senate and the United States.●

RECOGNIZING THE EMANUEL PIETERSON HISTORICAL SOCIETY

● Mr. D'AMATO. Mr. President, I rise today to call the attention of my colleagues to the Emanuel Pieterse Historical Society. This organization's service to the Afro-American community in New York State deserves recognition.

The society was established in August 1975 to preserve the history of Afro-American culture, encourage understanding and appreciation of Afro-American life, and promote the stability and preservation of historical Harlem-like communities.

Since its founding, the society has been instrumental in gaining national landmark designation of various Harlem sites, including the Harlem River Houses, our Nation's first federally funded housing projects.

The society also hosts functions that honor a broad range of distinguished Afro-Americans, tennis great Arthur Ashe, entertainer Eartha Kitt, and physician Dr. John Holloman, just to name a few.

I am certain that my colleagues will join with me in commending this historical society for its outstanding accomplishments and commitment to preserving American culture.

Thank you, Mr. President.●

HOW THE FARMERS UNION PROMOTES GOOD COMMUNITY LIVING

● Mr. BOREN. Mr. President, each year the Oklahoma Farmers Union sponsors a speech contest. Winners are given an expense-paid tour of the Eastern section of the United States, including visits to Gettysburg, New York, Washington, and Niagara Falls. One of the Oklahoma winners, Mr. Steven Johnson, Route 3, Box 48, Gage, OK, gave his winning speech at a breakfast for members of the Oklahoma congressional delegation in the Rayburn House Office Building. His winning speech follows:

HOW MY ORGANIZATION PROMOTES GOOD COMMUNITY LIVING

Cooperation, Legislation, and Education. These three bases for the Farmers Union Triangle are as important to our society today as they were back in 1902 when the Farmers Union organization began. Each

base of the Farmers Union triangle cannot function without the other, but together—connected and regarded as one—these three words can have a huge impact upon our community. Today, I would like to explain how my organization, The Farmers Union, promotes good community living.

The Oklahoma Farmers Union is a 100,000-member family farm organization promoting good community living through cooperation, education, and legislation. Our insignia is the rake, plow, and hoe. Our Farmers Union emblem is the liveoak tree and our symbol is the triangle.

The base of the triangle is education. Education is learning as well as teaching and it is a process that never ends. Farmers Union believes that strength comes through knowledge and in many ways Farmers Union promotes knowledge. One method of promoting education is through speech contests where young people have the opportunity to broaden their education plus win numerous awards including a 17-day summer tour of the Eastern states. Oklahoma Farmers Union offers its young members a well-balanced, year-round youth program that includes study units and summer leadership training camps. These camps can lead to college scholarships and other awards. My Ellis County Square Top Local has day camps where leaders teach young children through high school about various farm programs, the importance of cooperatives, and current legislation.

I have completed 10 years of youth work and it has been a valuable experience for me.

Legislation, the second side of the triangle, is important in all levels of Farmers Union. The legislative goals of the organization are directed by the policy statement. Policy making begins in the local and county meetings where members discuss and adopt resolutions and send them on to the state convention. Policies and ideas are then sent by the state to the national policy drafting committee, where they are debated, amended and finally adopted.

As a farm organization, Farmers Union is not only interested in farm programs, but we are a total front organization. This means that we are committed to policy on all fronts including environmental, social, economic, and foreign issues—issues which affect the quality of life of everyone in our community.

It is clear that Oklahoma is suffering in its worst economic situation since the Great Depression. Farmers and ranchers in our state are literally fighting for survival. Congress must pass new legislation early in 1987 to correct the direction of agricultural trade and improve the farm economy. Now is the time for Oklahoma Farmers Union to help write and pass new legislation.

Cooperation, the third side of our triangle, is democracy at work. Ever since Farmers Union was started in 1902, its members have helped set up and have used cooperatives for selling their farm products and for buying supplies to use on the farm. Some of these co-op businesses were cotton gins, grain elevators, oil companies, feed stores, grocery stores, and lumber yards.

Cooperatives are owned by the people who do business there. They are called "patrons". Co-ops give their patrons a fair price for their products and charge a fair price for the things they buy. People working together to help one another results in good community living.

Farmers Union is founded on the dignity of the individual, the value of his way of

life, and the importance of the community. Through cooperation, education, legislation and brotherly love, we can attain a better rural America and promote good community living.●

SINGAPORE MAKES MAJOR STRIDES AGAINST RECORD AND MOVIE PIRATES

● Mr. WILSON. Mr. President, among the diamonds in the rough of the recently passed trade bill, there are provisions enhancing the ability of U.S. companies to protect their intellectual property rights against piracy and other unwarranted market barriers. Such practices rob American businesses of billions of dollars of sales each year.

During the debate on an amendment to a provision that I authored, the "Anti-Piracy and Market Access Act," I stated the following:

Many beneficiaries of our GSP program allow rampant piracy and have erected insurmountable barriers to our intellectual property-based products. Specifically, Indonesia, Singapore, Taiwan, South Korea, and other Far East nations have been guilty of these practices, though some progress has been made in recent months.

Mr. President, while Indonesia continues as a "leader" in the field of piracy, as I noted in my statement, recent progress has been made by some countries. South Korea has made some changes improving market access for motion pictures and settled a 301 case on intellectual property protection. Taiwan has a new law designed to improve the ability of copyright, patent, and trademark holders to enforce their rights.

Mr. President, as to Singapore, the record of progress is even more startling. In the most recent "National Trade Estimate" report, issued by the U.S. Trade Representative in October of last year, the impact of piracy in Singapore was estimated at more than \$350 million per year—most in the form of music piracy. It was on the basis of this report that I included Singapore in my statement. While I was aware that a new law had been enacted in Singapore, new laws generally do not have an immediate impact by themselves. The key ingredients are the will to enforce the law and the provision of resources to do the job.

Well, Mr. President, after hearing from the Ambassador of the Republic of Singapore, the Honorable Tommy T B Koh, I contacted the Recording Industry Association of America and the Motion Picture Association of America to ascertain if progress had been made, as represented. I am more than pleased to tell the Senate that swift and sure progress against piracy has been made in Singapore.

The new Singapore copyright law took effect on April 10 of this year—just 4 months ago—and already it has

produced significant effects. There have been millions of dollars in increased sales of American music, thereby increasing our exports—and increasing profits for legitimate Singaporean businesses. Further domestic benefits include a willingness of record companies to invest in the development of Singaporean singers and musicians.

In the movie market, video sales have increased 20 to 25 percent this year. Legitimate video rental operations have been revitalized, while a local magazine catering to the movie market has seen a great increase, to the point that a new competitor has come to the market.

Mr. President, this fast and effective turnaround belies any suggestion that the new Singapore copyright law was an empty gesture. Obviously, the Government of Singapore is determined to wipe out piracy, and for that they deserve a great deal of credit.

Mr. President, I ask that two newspaper articles from the Straits Times of Singapore on the progress against piracy be printed in the RECORD at the end of my remarks.

Mr. President, with the new law and official attitude in Singapore, the worldwide problem must still be addressed. It is important to note that while piracy in Singapore hurt United States sales in that country, most of the harm done by illegal copying in Singapore occurred outside of Singapore, in third-country markets. Therefore, while the illegal market is being shut down in Singapore, there are still markets for pirated music and movies, and other countries are moving "to fill the void".

So, Mr. President, as we continue to work for an end to the insidious practice of intellectual property piracy, we should recognize that progress has been made in some countries.

The articles follow:

[From the Straits Times, July 23, 1987]

**COPYRIGHT PERKS UP THE FUN INDUSTRY
FEWER PIRATES AND BIGGER PROFITS SPUR
DISTRIBUTORS**

(By Serena Toh)

Films such as critically acclaimed Eleni, Woody Allen's Hannah and Her Sisters and the remake of the Western classic Stagecoach, previously held back by video distributors because of "pirates", will now be released, thanks to the new Copyright Act.

In fact, video company, Kwangsia Home Video, encouraged by the clearing out of pirates, re-started its video rental business last week.

Frustrated by the raids of pirates, it shut down operations last year.

Because of the Act, too, entertainment magazine Swing was launched last month and longtime film magazine. Movie News, revamped.

Both magazines anticipate a boom in the film, video and recording industries, thus generating more revenue from advertising.

Swing, a bi-monthly magazine is distributed free at record shops, discotheques, nightclubs and Burger King restaurants,

while the revamp of Movie News last month was timed to coincide with an expected rise in the number of cinema patrons.

Just three months after the Copyright Act came into force, sales are booming for video distributors and recording companies, while film distributors expect good times ahead, now that the pirates can no longer rob them of business.

The Act carries a maximum fine of \$100,000 and maximum jail terms of five years for piracy of audio and video cassettes, books, computer software.

Major video distributors say their sales have increased by 20 to 25 per cent in an industry which is reportedly worth more than \$7 million.

Cinema chain Shaw Brothers expects 20 per cent more patrons in the next few months. Polygram Records thinks sales would increase by 50 per cent this year while WEA Pte Ltd already reports that business has improved "manifold".

The Act could also help bring new talent into the music market now that pirates are less likely to eat into the profits.

WEA managing director Jimmy Wee said: "We want to spend more on promoting local singers, and look for long-term artistes."

The company also wants to import "quality studio people" such as sound engineers, song writers and producers from abroad to produce an album of international standard, something which it has not done since 1976.

[From the Straits Times, June 4, 1987]

TAPE PIRATES LOSING THE WAR

(By Yeo Kim Seng)

The music industry's relentless war on pirates last year has paid off.

Sales of records, cassettes and compact discs by wholesalers soared to a record \$25.5 million last year, an \$11 million increase over 1985.

They would have been higher if translated into retail prices, which are between 15 and 20 per cent more, said a senior music industry official yesterday.

Mr. Giouw Jui Chian, spokesman of the International Federation of Phonogram and Videogram Producers (IFPI), attributed the sharp rise in sales partly to the 200 or so raids against sellers of pirated music last year.

Since February 1984, 943,021 pirated cassette tapes with a street value of nearly \$2.3 million have been destroyed.

Mr. Giouw also said the sales figures represented about 85 per cent of the industry.

Another reason for the better sales was the co-operation among retailers, the IFPI and the Singapore Sound Tape Retailers Association, Mr. Giouw said.

At the core of this effort was the strategy used to cushion retailers from the high costs of replacing their stocks with copyright versions, he added.

"We got retailers last year to beef up their stocks of copyright cassette tapes gradually to prepare for the introduction of the Copyright Act," he said. The Act came into effect in April this year.

Some shops would have been forced to close down if they had to replace all their stocks with copyright tapes immediately when the law took effect and this would have hurt everyone, he added.

"And others would have run into high financial commitments."

So the phonogram federation and the sound tape retailers association proposed a timetable for the retailers to get rid of their pirated tapes.

They were urged to ensure that, between January and March last year, up to 75 per cent of their stocks were copyright tapes. By last September the figure had risen to 90 per cent.

And between October and this April when the law took effect, their stocks should have had fewer than 70 pirated tapes.

"This ensured that shops could come clean on the day the law took effect," Mr. Giouw said.

This was important, he explained, because if they had closed down, the industry would have been hurt, too.●

ADVANCE NOTIFICATION

PROPOSED ARMS SALE

● Mr. PELL. Mr. President, as the result of a 1976 agreement, the executive branch provides Congress with advance notification of proposed arms sales under the Arms Export Control Act in excess of \$50 million or, in the case of major defense equipment as defined in the act, those in excess of \$14 million. Upon such notification, the Congress has not less than 20 calendar days for informal review and consultation with the administration on the proposed sale. If the executive branch wishes to proceed with the sales proposal following the informal review period, section 36(b)(1) requires that the executive branch submit a formal notification to Congress of the proposed arms sale. Upon such notification, the Congress has 30 calendar days to review the sale. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point a notification which has been received. Portions of the notification which are classified have been deleted for publication, but are available to Senators at the Foreign Relations Committee.

The notification follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,

Washington, DC, August 3, 1987.

In reply refer to: I-03451/87ct.

Mr. GERYLD B. CHRISTIANSON,
Staff Director, Committee on Foreign Relations,
U.S. Senate, Washington, DC.

DEAR MR. CHRISTIANSON: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b)(1) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost \$50 million or more.

Sincerely,

GLENN A. RUDD,
Deputy Director.●

INFORMED CONSENT: FLORIDA
II

● Mr. HUMPHREY. Mr. President, today I would like to insert into the RECORD two letters from women who support my informed consent legislation, S. 272 and S. 273. Today's letters come from the State of Florida.

I ask that these letters from women in Florida be printed in the RECORD.

The letters follow:

APRIL 1, 1987.

DEAR SENATOR HUMPHREY: I am writing to you on behalf of myself and the many other women who have been deceived through abortion. I have suffered two abortions. When I went to Orlando for the abortions no one at the clinic advised me about fetal development, physical consequences or emotional stress. I am now a counselor at a Crisis Pregnancy Center and I see over and over women who have suffered physically and emotionally from previous abortions. Very few of the women I see have ever been educated about abortion.

My plea to you is to support any legislation to educate women before they can consent to having an abortion. Also, for parent consent of minor girls seeking an abortion. If that law had been in affect my parents could have my protection from all of this pain and suffering. I would hope had I been educated about the truth of abortion I would have chosen to keep my babies. I grieve their loss but I am on the battlefield to save other unborn children.

Thank you for your support in the important issue.

Sincerely,

VONNIE CARDWELL.

TITUSVILLE, FL.

FEBRUARY 23, 1987.

DEAR SENATOR HUMPHREY: When I went for "counseling" regarding obtaining an abortion, the first thing that was discussed was money and then the procedure that would be used. They never raised the question that the fetus I was carrying might actually be a human being or that there were other alternatives to abortions.

I really feel that my baby that was aborted was a victim of a conspiracy of silence. I knew and realized after the abortion (without being told) that what I had done was wrong and tantamount to murder.

Yes, I should have control over my own body, but after conception the fetus that is created inside my body is a separate entity and deserves a chance to live.

Please continue your efforts on behalf of the babies that cannot lobby for their own lives. Please let me know if there is any way that I can help support your efforts.

Thank you,

Mrs. KATE JONES.

ORLANDO, FL. ●

REAUTHORIZATION OF THE
PRICE-ANDERSON ACT

● Mr. JOHNSTON. Mr. President, there is an urgent need to pass legislation to reauthorize and extend the Price-Anderson Act. The Price-Anderson Act provides a system for public compensation in the event of a nuclear accident. On July 30, the House of Representatives passed legislation to modify and extend Price-Anderson.

The Senate must take immediate action to do similarly.

Existing authority under the Price-Anderson Act expired on August 1, and we must take action quickly to renew the act.

The Price-Anderson system is a comprehensive, compensation-oriented system of liability insurance for Department of Energy contractors and Nuclear Regulatory Commission licensees operating nuclear facilities. Under Price-Anderson, there is a ready source of funds that would be available to compensate the public for damages resulting from a nuclear accident. Without Price-Anderson, there would not be such a pool of funds available.

The Price-Anderson Act was first enacted in 1957, and it has been modified and extended twice. We should not allow it to expire now.

In the absence of Price-Anderson, compensation to victims of a nuclear accident would likely be seriously limited. Failure to extend the Price-Anderson system for DOE contractor activities would raise serious concerns about adequate compensation for victims of a nuclear accident at a DOE facility.

DOE contractors are covered under the Price-Anderson indemnity provisions of current contracts, but with expiration of the act, DOE has lost its authority to indemnify contractors under Price-Anderson in new contracts. Therefore, any existing indemnity agreements will expire at the end of the term of the existing contracts and cannot be renewed. If the act is not renewed, DOE contractors—those involved in atomic energy defense, uranium fuel preparation, and nuclear waste disposal—will be without the comprehensive, no-fault liability insurance system provided by Price-Anderson. Congress must act quickly to preserve the ability of the Federal Government to undertake these essential activities.

Several of DOE's major contracts will come up for renewal soon. Contracts at three major facilities—Los Alamos National Laboratory, Lawrence Livermore National Laboratory, and Lawrence Berkeley National Laboratory—will expire on September 30. The contract for operation of another major facility, Brookhaven National Laboratory, will expire on December 31.

There is an urgent need to extend and reauthorize the Price-Anderson Act before any of these contracts expire. If these contracts are renewed without Price-Anderson coverage, the loser will be the public. In the absence of Price-Anderson, compensation for victims of a nuclear accident would be less predictable, less timely, and potentially inadequate compared to the compensation that would be available under the current system.

On June 12, the Committee on Energy and Natural Resources reported S. 748, the Price-Anderson Amendments Act of 1987. S. 748 would modify and extend the portions of the Price-Anderson Act that provide public liability coverage for DOE contractors.

S. 748 would extend authority for the Price-Anderson indemnification system for DOE contractors for 30 years. It would increase the amount of public compensation immediately available after an accident from \$500 million in current dollars per incident to \$6 billion in constant dollars per incident. In the event that damages exceed the \$6 billion cap, S. 748 establishes an expedited mechanism for congressional action on additional compensation measures.

In addition, S. 748 adds new authority to provide for greater accountability of contractors, subcontractors, and suppliers in the performance of their duties under contract with the Department of Energy for nuclear activities. The Energy and Natural Resources Committee felt that exercise of this authority by DOE could reduce the likelihood of serious nuclear incidents.

S. 748 grants the Secretary of Energy new authority to impose civil and criminal penalties on contractors for violations of DOE rules, regulations, and orders related to nuclear safety. This authority parallels that provided to the Nuclear Regulatory Commission in the Atomic Energy Act with respect to NRC licensees. S. 748 provides for civil penalties of up to \$100,000 per day for violations of DOE nuclear safety rules, regulations, or orders. The bill also provides authority for criminal penalties in the case of knowing or willful violations of these rules, regulations, or orders on the part of individual directors, officers, or employees of DOE contractors.

Additional mechanisms for ensuring safe operations by DOE contractors included in S. 748 are the establishment of an inspector general for nuclear programs and the establishment of an independent panel to make recommendations for permanent regulation and oversight of DOE nuclear activities. These provisions are positive steps toward ensuring continued safe operation of DOE facilities.

On July 30, the House of Representatives approved legislation to extend the Price-Anderson Act. The House-passed bill, H.R. 1414, will extend coverage under the Price-Anderson system for both DOE contractors and NRC licensees. The House-passed bill will increase the amount of public compensation available after an accident to just over \$7 billion.

It is important that the Senate extend the Price-Anderson Act. The compensation system established by this Act has been a good one, and we

must extend the Act to allow that system to continue.

I hope that the Senate will be able to take action on Price-Anderson this week. If not, I hope we will take it up as soon as we come back after Labor Day.●

HIGHWAY AND TRAFFIC SAFETY

● **Mr. DANFORTH.** Mr. President, highway and traffic safety is, in my judgment, an area where government can make a constructive contribution to the public interest. As we debate questions of highway and traffic safety, we often focus on statistics about death and injury, the cost of competing options, and the state of technology. I rise to call attention not to statistics, but to a person named Matthew Young, aged 24, of St. Louis. Two years ago, he was severely injured in a crash on an exotic new kind of motorcycle—one of the so-called "killer motorcycles" that are gaining increasing popularity with young riders. Such machines can reach 60 miles per hour in less than 2.7 seconds. They can achieve top speeds in excess of 160 miles per hour. I have introduced legislation to direct the National Highway Traffic Safety Administration to set a safety standard for this new and unique class of motorcycles. Killer motorcycles have no appropriate on-street use and should be used only in competition or other off-street environments. They should not be mass-marketed for general use on the public streets by young men like Matt Young. Matt Young agrees. He recently shared his experiences in an interview with the St. Louis Post-Dispatch. I ask that the article be reprinted in the CONGRESSIONAL RECORD, and commend it to the attention of Senators.

The article follows:

[From the St. Louis Post-Dispatch, July 27, 1987]

"I'M LUCKY I'M ALIVE"

"SUPERBIKE" CRASH VICTIM BACKS CURB ON MACHINES

(By Kathleen Best)

WASHINGTON.—Saturday, June 15, 1985, is a blank space in Matt Young's memory.

He doesn't remember going out motorcycle riding with friends or slamming his hot, new Kawasaki Ninja against the side of a van. He doesn't remember the ambulance ride to St. Joseph Hospital of Kirkwood or the prognosis that he would die.

He remembers the five months in traction while his two broken legs and his broken hip mended, the later surgery to try to heal the three broken vertebrae in his neck and the 10 months of grueling physical therapy as movement slowly—and, he says, miraculously—returned to his limbs.

Young, 24, a nephew of former U.S. Rep. Robert A. Young, wants to share those memories to spare others the same pain.

"I'm lucky I'm alive," he says. "I don't think, especially for unqualified riders, that (the Ninja and other racing bikes) should be on the streets. I'm living proof they are very dangerous."

Sen. John C. Danforth agrees. He wants to take such motorcycles, which he calls "superbikes," off the roadways.

"From a dead stop, one of these superbikes accelerates to 60 miles per hour by the time it reaches the other side of a city intersection," Danforth said. "It takes one of these killer cycles 2.7 seconds to reach this speed."

"The combination of these racing machines and young, inexperienced riders is deadly."

Danforth introduced legislation last week that would direct the Department of Transportation to develop, within 12 months, safety standards aimed at taking high-horsepower, lightweight motorcycles off public streets.

The measure was narrowly drawn so that it would not apply to traditional motorcycles or dirt bikes, said Steve Hilton, a spokesman for Danforth.

Instead it is aimed at motorcycles that weigh between 400 and 600 pounds with engines that in some cases have more than 100 horsepower.

Hilton said the so-called superbikes were manufactured primarily by Japan's "big four" motorcycle companies—Kawasaki, Honda, Suzuki and Yamaha—and were marketed under model names such as the Ninja, Hurricane, GSXR and PZ.

Mel Stahl, vice president for government relations for the Motorcycle Industry Council, declined to comment on the legislation. "At this point, we don't have a position to express," he said.

The council has requested a meeting with Danforth to discuss voluntary regulations for such motorcycles. The request was made "before we saw the bill and the press release," Stahl said.

When Danforth introduced the legislation, he said, "The marketing of killer cycles is a lesson in corporate irresponsibility."

"The advertising is directed at teen-age males. A typical one is Honda's slogan: 'Zero to 55 faster than you can read this.'"

Hilton said superbikes made up a minuscule proportion of motorcycle sales nationwide and seemed most popular on the West Coast.

He said no one had studied the number of such motorcycles or the injuries or deaths attributed to their use.

But Matt Young doesn't need any studies to be convinced of their danger.

"I'm not sure what the top speed on mine was, but it was at least 120, maybe more," he said. "I wouldn't consider myself a real good rider. At the time of the accident, I wasn't even motorcycle-qualified on my license."

"But it kind of caught my eye. I'd seen ads for them, seen them around town. It was a catchy bike, good-looking. It was what I had to have to be in with everybody else."

Being "in" has lost its importance, these days. Being alive is the main thing.

"I think this law is probably needed," Young said as he prepared for another round of therapy.●

FIVE-YEAR ARCTIC RESEARCH PLAN

● **Mr. MURKOWSKI.** Mr. President, on Friday an important message from the President of the United States was delivered to the Senate.

In keeping with the Arctic Research and Policy Act of 1984, the President submitted to Congress the Nation's

first 5-year Arctic research plan—a comprehensive 5-year program plan for the overall Federal effort in Arctic research.

The United States is an Arctic nation that has only very recently begun to play the part. Thousands of Americans live and work in the Arctic, and we have substantial natural resources and important strategic interests in the Arctic. However, we have only recently begun to think of ourselves as an Arctic nation.

When I was first elected to the U.S. Senate in 1980, Alaskans asked me to foster the creation of a comprehensive national Arctic research policy, an effort begun almost 20 years earlier by Alaska's first Senators. Indeed, as early as 1960, Alaskans in Washington were arguing that national goals in the Arctic required the United States to direct a greater share of national scientific resources toward research in the far north.

While an increase in Arctic research did occur during the 1970's, largely due to the construction of the trans-Alaskan pipeline, Government Arctic research was almost exclusively performed on an ad hoc, program-oriented basis. The Nation's Arctic Research Program, if you could call it that, was a fragmented collection of projects and programs that lacked clear direction, coordination, or an overall guiding policy.

By 1980, our stake in the Arctic had clearly risen. By that time, America was addicted to Arctic oil, deriving some 20 percent of our domestic production from a single Arctic field at Prudhoe Bay, AK. At the same time, new developments in military technology, most notably nuclear-powered submarines and long-range bombers equipped with cruise missiles, transformed the Arctic from a seemingly benign and remote polar region to one of the most strategic places on Earth. Indeed, the Arctic was beginning to be recognized as the true common border between the superpowers.

As a result of these developments, a new push for a policy-guided Arctic research effort began. As a result of my efforts, in addition to those of Senators TED STEVENS and Henry "Scoop" JACKSON, and Representatives DON YOUNG, DOUG WALGREN, DON FUQUA, and others, Congress passed the Arctic Research and Policy Act [ARPA] of 1984.

In passing ARPA, Congress intended that the Nation as a whole become more informed about the Arctic and the fact that the United States is an Arctic nation. Our lack of knowledge about the Arctic had been a clear source of frustration to Congress during the 1970's when the discovery of oil at Prudhoe Bay and a global energy crisis moved Congress to enact a number of new statutes affecting the

future of the Arctic. With hindsight, it's easy to see that the congressional debates which preceded passage of the Alaska Native Claims Settlement Act of 1971, the Trans-Alaska Pipeline Act of 1973, the Alaska Natural Gas Transportation Act of 1976, and the Alaska Lands Act of 1980, were sometimes characterized by ill-informed, sensational, and misleading information.

For instance, the Senate was only able to narrowly pass the Trans-Alaska Pipeline Act with the tie-breaking vote of the Vice President. Many Senators who opposed the pipeline believed the assertions of extreme environmentalists who argued that any development would seriously jeopardize the future of the central Arctic caribou herd and other wildlife. While we now know that responsible development can occur in the Arctic, ignorance of the truth in 1973 almost exacted a significant price—the pipeline might never have been built.

Mr. President, as the old saying goes, if you think knowledge is expensive, try ignorance. The basic purposes of the Arctic Research and Policy Act is to increase our knowledge of the Arctic in order that we can make wise decisions about its future and the future of our Arctic nation. As a consequence of the act:

The United States now has an Arctic Research Commission which meets regularly to advise the President and Congress on matters of Arctic Research;

The United States has a Federal Interagency Committee to coordinate Federal Arctic research efforts.

We have a coordinated Arctic research budget.

We are looking closely at the need for new research platforms, icebreakers, and other mechanisms to study the Arctic.

Finally, we have this document that was just transmitted to the Congress by the President—the first 5-year Arctic research plan.

The fact is, we've come a long way in the short time since the passage of the Arctic Research and Policy Act. And that's fortunate, because there is much we must know about the Arctic if we expect to move into what some have called "the Age of the Arctic" with confidence. For instance:

We must find the new technologies we need to develop Arctic resources wisely while protecting the Arctic ecosystem;

We must fully understand how Arctic systems operate if we expect to address problems such as Arctic haze and the greenhouse effect.

We must improve our knowledge of glaciers, sea ice, permafrost, and snow in order to perfect new Arctic air, land and maritime transportation technologies.

We must fully understand disruptive auroral displays and high latitude atmospheric disturbances if we expect to enjoy dependable telecommunications capabilities in the Arctic;

Finally, the Arctic, in stark contrast to the Antarctic, is the home to an indigenous people who have lived and hunted in the region since time immemorial. We must fully understand the Arctic and the short and long-term impacts of what we do there if we expect to protect the unique lifestyle of the Inuit—Eskimo—people.

Mr. President, it is clear that the Arctic, once considered a remote and forgotten area of our planet, is emerging as one of the most important regions of the world. Congress has recognized this fact. Building on the foundation of ARPA, the United States is poised to take its rightful place as a leader among the Arctic nations of the world.

In closing, I want to say just a few words about the plan and how it evolved. A tremendous amount of time, effort, and consultation went into this plan—more than we will ever know. It may interest my colleagues to know that meetings and workshops leading to the plan were held in Hanover, NH; Anchorage, AK; Boulder, CO; Barrow, AK; and Washington, DC.

Moreover, the members and staff of the Interagency Arctic Research Policy Committee, the Commissioners and staff of the Arctic Research Commission, the National Science Foundation, Arctic residents, other interested members of the public, and scientists in and outside of government, have all made significant contributions in time, energy, and expertise far above and beyond their normal duties. We owe them all a special debt of gratitude. The result of their efforts is before us today: A comprehensive plan that will help us to chart our course as a true Arctic nation.●

COMMITTEES TO HAVE UNTIL 7:30 P.M. TO FILE REPORTS

Mr. BYRD. Mr. President, I ask unanimous consent the committees have until 7:30 today to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY

ORDER FOR ADJOURNMENT UNTIL 11 A.M.
TOMORROW

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business the Senate stand in adjournment until the hour of 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I ask unanimous consent that on tomorrow the call of the calendar be waived and

no motions or resolutions over, under the rule, come over.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders are recognized there be a period for morning business not to extend beyond 11:30, the Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

NOMINATION OF ROBERT BORK TO BE SUPREME COURT JUSTICE

Mr. HUMPHREY. Mr. President, I wish to comment on some noteworthy positive developments regarding our forthcoming consideration of the Bork nomination.

Though the chairman of the Judiciary Committee continues to unreasonably delay the start of the hearings on Robert Bork, indeed the delay will by far surpass any previous delay in modern times for the consideration of a Supreme Court nomination, I am pleased to note nonetheless that several distinguished Members from the other side of the aisle—that is the side opposite from which I am now standing—have made commendable efforts to bring some fairness and reasonableness to bear on the consideration of the nomination.

The majority leader and the senior Senator from Arizona have cautioned their colleagues to avoid premature judgments and to objectively examine Judge Bork's professional qualifications, judicial temperament, and other relevant criteria.

Mr. President, Senators will recall the inflammatory and intemperate rhetoric heard on this floor on the very day the nomination was announced. We were told then that the addition of this distinguished American to the Supreme Court would somehow result in "blacks being forced to sit at segregated lunch counters, rogue police breaking down citizens' doors in midnight raids," for example.

Such demagoguery has no place in our deliberations on this critically important nomination. That is why I welcomed and commend the refreshing and responsible statements of the majority leader and the Senator from Arizona.

Let us have a fair and rational debate. It is not asking too much. Indeed, the American people expect it of us in deliberating the confirmation

of a candidate for so important an office.

I can think of no more relevant criterion for us to consider than the nominee's key performances as a judge on the U.S. Court of Appeals for the D.C. District Court over the past 5 years. That position, Mr. President, is literally as close as one can get to the Supreme Court in our Federal judicial system without being on the High Court itself.

Judge Bork has been a member of that court now for 5 years, unanimously confirmed by the Senate in 1982. And how he performed as a U.S. court of appeals judge unquestionably provides the best possible evidence of how he would perform on the Supreme Court.

His record on the court of appeals also provides the best evidence for evaluating the charges of those who, in my opinion, unfairly and unreasonably claim that Mr. Bork is an extremist whose views are outside the mainstream of responsible jurisprudence.

Judge Bork's actual record as a Federal judge not only refutes such charges beyond any dispute, but also demonstrates that he is one of the most qualified and responsible judges ever nominated to the Supreme Court.

On the D.C. Circuit Court of Appeals, Robert Bork has authored over 100 opinions for the majority. Not one of those opinions has been reversed by the Supreme Court. Not one.

Hardly the work of an extremist, Mr. President. In fact, although the losing party has petitioned the Supreme Court to review 13 of Bork's majority opinions, his opinions have been so well-grounded that the Court has not considered it necessary to review a single one of them. The fact that the losing parties decided not to seek review of Bork's 87 other majority opinions further reinforces the soundness of those rulings. The sounder the reasoning in an opinion, the less likely it is that lawyers will pursue an appeal.

Equally remarkable is the fact that the Supreme Court has not reversed any of the 400 majority opinions in which Judge Bork has joined; in concurrence, not as author.

He has authored 100, none of which has been overturned. He has taken part and participated and concurred in some 400, not one of which has been reversed.

These hard facts are the most eloquent and objective possible testimony to the soundness of Bork's judicial approach. A judge who endorses and applies legal views which are "extremist" or outside the judicial mainstream could not possibly compile such an extraordinary record of consistently sound rulings, which have been upheld by the Supreme Court.

These are not the only facts from Judge Bork's judicial record that

refute the unfair and unreasonable charges which some have made against the nominee. Other objective data demonstrate the fallacy of claims that his judicial philosophy places him on the "outer fringes" of responsible judicial decisionmaking.

Bork has voted with the majority of the D.C. circuit in 94 percent of the cases he has heard during his tenure there. Yet the D.C. Circuit Court had 7 Democratic appointees out of 10 members when he joined it, and presently has 5 Democratic appointees out of 10 members. This court includes some of the most prominent liberal jurists in the Nation, including Chief Judge Patricia Wald and Judge Abner Mikva.

Interestingly, when Supreme Court Justice Antonin Scalia sat on the D.C. Circuit Court with Judge Bork, Scalia and Bork voted the same in 84 out of the 86 cases—more than 98 percent—in which they both participated. More similar voting records would be difficult to find among any pair of judges. Are Bork's critics prepared to call Scalia an extremist as well? Are Senators prepared to admit they voted to confirm to the Supreme Court an extremist in the person of Antonin Scalia with whom Judge Bork voted 98 percent of the time? Justice Scalia was confirmed by a vote of 98 to 0 one year ago.

Where, then, is the basis for harshly condemning a nominee whose judicial record is virtually identical to that of another nominee who was unanimously confirmed less than a year ago? I suggest that the question provides its own answer—none!

The chairman of the Judiciary Committee was candid enough to concede last fall that if Judge Bork were nominated and "looked a lot like Scalia," then the chairman would "have to vote for him," despite the expected attacks from the special interest groups.

Well, Judge Bork does "look a lot like Scalia," at least from the standpoint of their voting records as appeals court judges. That is the point of the remarks I am delivering tonight. A 98-percent rate of agreement in voting record could hardly be more alike. And that is the standpoint that should count when we are considering a nomination for the highest appeals court in the land. Or maybe we misunderstood the distinguished Senator from Delaware when he used the phrase "looks a lot like Scalia." Maybe the Senator meant facial appearance. Maybe he favors jurists who are clean-shaven. Could that have been it? In that case, we must get Bork to shave off his beard, and then the Senator from Delaware no doubt will be prepared to support him.

The anti-Bork campaign being waged by certain special interest groups in connection with Presidential campaigning is an ill-disguised attempt

to divert this confirmation process from its proper and legitimate task. We should be deciding whether Judge Bork, like Justice Scalia, has the qualifications, the judicial record, and the integrity befitting a Supreme Court Justice. Unless our hearings reveal some serious impropriety or flaw undetected by the prior hearings and microscopic examinations of Robert Bork's personal and public record, it is quite clear that he meets those tests.

Mr. President, like others, including many Senators on the Democratic side, I urge my colleagues to keep their focus on these relevant and legitimate considerations. We should not and cannot allow this important process to be dominated, distorted, by inflammatory assaults designed to turn our confirmation process into some element of the Presidential campaign by certain Members.

If each of us on both sides of the aisle listens to the wise admonitions of the majority leader and the Senator from Arizona, we will at least get off to a good start.

Mr. President, likewise, in connection with the Bork nomination, I ask unanimous consent to place in the RECORD an editorial on that subject printed in the *Fosters's Daily Democrat*, Dover, NH, on July 30, 1987.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Dover (NH) *Foster's Daily Democrat*, July 30, 1987]

THE BORK BROUHAHA

OPPOSITION TAINTED BY OPPORTUNISM

Critics of U.S. Court of Appeals Justice Robert H. Bork base their opposition to his nomination to the U.S. Supreme Court on two fundamental arguments—one weak and the other illogical.

First, opponents contend Supreme Court nominees have historically been judged on their political ideology, not only their scholarly qualifications. Bork is brilliant, they admit, but he's too right-wing.

Historically, they are only partially right. Yes, about 20 percent of all presidential appointments to the high court have been rejected by the Senate—many of those for reasons rooted in politics. But that means an overwhelming majority, 80 percent, have been approved.

A credible case can be made that the Senate's constitutional charge to advise on and approve presidential appointments to federal courts provides for a role more aggressive than simply validating a nominee's sound morals and high intelligence. Supreme Court justices serve for life—all the more reason an appointee should be subjected to the same spirit of checks and balances that characterizes other conflicts between the executive and legislative branches of government.

However, history also shows the Senate generally gives presidents the benefit of the doubt—as the 80 percent approval rating attests. Even when the Senate does not agree with a court nominee's opinions, it tends to discount political differences and accedes to presidential prerogative.

The Bork nomination has crossed the bounds of legitimate ideological debate. It has become a tawdry partisan show trial tainted by the special interest politics of presidential campaigning. On issues relating to the Supreme Court, differences of opinion should be debated with an eye on civility and reason—a fact lost on Sen. Edward Kennedy and presidential hopeful Sen. Joseph Biden, who is chairman of the Senate's Judiciary Committee.

Kennedy recently made Bork out to be less humane than Adolf Hitler and Biden pledged to fight the nomination after first saying eight months ago that Bork was such an excellent judge he would vote to confirm Bork if he were nominated.

The Senate was never intended to be a rubber stamp for Supreme Court nominations, but neither was it meant to conduct confirmation proceedings as a kangaroo court. The rhetoric from the left leans to the latter.

The argument absent of logic is the one that says at another time Bork would be acceptable, but because he might become a swing vote on the conservative side, he must be rejected to maintain political "balance" on the court. Those making that claim never complained about the lack of "balance" during the heyday of the Warren Court. They showed no constitutional consternation when liberal rulings overturned established conservative decisions. Now that liberal sacred ground is threatened, suddenly the notion of "balance" is in vogue. Balance is relative. If anything, a more conservative court is needed in the 1990s to "balance" the liberal court of the 1960s and 1970s.

The big point the liberals are missing is that Bork is simply not the ogre they make him out to be. His writings are controver-

sial, but actions speak louder than words. During Bork's tenure on the U.S. Court of Appeals for the District of Columbia, not one of his decisions has been overruled by the Supreme Court on appeal.

Furthermore, Bork is a devout follower of judicial restraint; he favors judicial intervention only when absolutely necessary. He is more likely to vote to maintain the status quo than incite a conservative counterrevolution.

When the political hysteria and opportunism is stripped away, what remains is a Supreme Court nominee with outstanding qualifications whose ideology has been unfairly distorted. Bork deserves to be confirmed.

Mr. HUMPHREY. Mr. President, I would just note that the editorial is titled "The Bork Brouhaha" and the subtitle is "Opposition Tainted by Opportunism." The editorial takes the opponents of Judge Bork to task for unfairness, unreasonable conduct and irresponsible charges against the nominee.

Inasmuch as some Members of the Senate are campaigning for the Presidency, I thought they might like to read this editorial from one of the important papers in New Hampshire, a State which everyone knows has the first Presidential primary.

Mr. President, I yield the floor.

ADJOURNMENT UNTIL TOMORROW AT 11 A.M.

Mr. BYRD. Mr. President, if there be no further business, I move, in ac-

cordance with the order previously entered that the Senate stand in adjournment until the hour of 11 o'clock tomorrow morning.

The motion was agreed to and the Senate, at 6:37 p.m., adjourned until Tuesday, August 4, 1987, at 11 a.m.

NOMINATIONS

Executive nomination received by the Senate August 3, 1987:

DEPARTMENT OF JUSTICE

Samuel A. Alito, Jr., of New Jersey, to be U.S. attorney for the district of New Jersey for the term of 4 years, vice W. Hunt Dumont, resigned.

CONFIRMATION

Executive nomination confirmed by the Senate August 3, 1987:

FEDERAL RESERVE SYSTEM

Alan Greenspan, of New York, to be a Member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1978.

Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—Monday, August 3, 1987

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, as we go about in our own space and time doing the things we feel important and necessary, may we never cease to hear Your voice calling us to live above the ordinary and routine necessities of life. May we never be content with the evils that so often affect our actions and thoughts, but may we be transformed by the renewing of our minds to see again the vision of a new and brighter day, where people live together in peace and share in a community of truth and of trust, one with another. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill and joint resolution of the House of the following titles:

H.R. 1403. An act to designate the U.S. Post Office building located in St. Charles, IL, as the "John E. Grotberg Post Office Building"; and

H.J. Res. 324. Joint resolution increasing the statutory limit on the public debt.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J. Res. 324) entitled "Joint resolution increasing the statutory limit on the public debt," and requests a conference with the House on the disagreeing votes of two Houses thereon and appoints Mr. BENTSEN, Mr. MOYNIHAN, Mr. MATSUNAGA, Mr. CHILES, Mr. HOLLINGS, Mr. LEVIN, Mr. PACKWOOD, Mr. DOLE, Mr. ARMSTRONG, Mr. DOMENICI, and Mr. GRAMM to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 970. An act to authorize a research program for the modification of plants and plant materials, focusing on the development and production of new marketable in-

dustrial and commercial products, and for other purposes; and

S. Con. Res. 29. Concurrent resolution expressing the sense of Congress regarding the inability of American citizens to maintain regular contact with relatives in the Soviet Union.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar.

The Clerk will call the first eligible bill on the Consent Calendar.

PROVIDING THAT CERTAIN LANDS SHALL BE IN TRUST FOR THE PECHANGA BAND OF LUISENO MISSION INDIANS OF THE PECHANGA RESERVATION, CALIFORNIA

The Clerk called the bill (H.R. 2615) to provide that certain lands shall be in trust for the Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation, California.

There being no objection, the Clerk read the bill as follows:

H.R. 2615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CERTAIN LANDS HELD IN TRUST FOR PECHANGA BAND.

All right, title, and interest of the United States in and to the land acquired by the deed dated March 11, 1907, pursuant to the Act of June 21, 1906 (34 Stat. 333), is hereby declared to be held in trust by the United States for the use and benefit of the Pechanga Band of Luiseno Mission Indians of California. Such land is hereby declared to be part of the Pechanga Indian Reservation.

SEC. 2. PUBLICATION OF LAND DESCRIPTION.

The Secretary of the Interior shall publish in the Federal Register the description of the land referred to in section 1.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAKING MISCELLANEOUS TECHNICAL AND MINOR AMENDMENTS TO LAWS RELATING TO INDIANS

The Clerk called the bill (H.R. 2937) to make miscellaneous technical and minor amendments to laws relating to Indians, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 2937

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of June 25, 1910 (36 Stat.

856) as amended, is further amended by deleting the phrase "the age of twenty-one years, or over" and inserting, in lieu thereof, the phrase "the age of eighteen years or older".

SEC. 2. (a) The Act of September 14, 1961 (75 Stat. 500) is amended by—

(1) deleting the phrase "Section 5, lots 7 and 8;" in section 1, and

(2) inserting the phrase "Section 5, lots 7 and 8;" after the phrase "Township 15 north, range 3 east;" in section 2.

(b) Subsection (e) of section 2 of the Act of October 28, 1986 (100 Stat. 3243) is hereby repealed.

SEC. 3. Section 1 of the Act of October 19, 1973 (87 Stat. 466) is amended by—

(1) inserting "(a)" before the word "That";

(2) deleting the phrase "any interest earned thereon" and inserting, in lieu thereof, the phrase "any investment income earned thereon"; and

(3) adding the following new subsections—

"(b) Except as provided in the Act of September 22, 1961 (75 Stat. 584), amounts which the Secretary of the Interior has remaining after implementation of either a plan under this Act, or another Act enacted heretofore or hereafter providing for the use or distribution of amounts awarded in satisfaction of a judgment in favor of an Indian tribe or tribes, together with any investment income earned thereon and after payment of attorney fees and litigation expenses, shall be held in trust by the Secretary for the tribe or tribes involved if the plan or Act does not otherwise provide for the use of such amounts.

"(c) This Act may be cited as the 'Indian Tribal Judgment Funds Use or Distribution Act'."

SEC. 4. Paragraph (2) of section 2 of the Old Age Assistance Claims Settlement Act (98 Stat. 2317) is amended by inserting a colon after the phrase "trust property" and the following proviso—

"Provided, That, except for purposes of section 4, the term also includes the reimbursements for welfare payments identified in either the list published on April 17, 1985, at page 15290 of volume 50 of the Federal Register, as modified or amended on November 13, 1985, at page 46835 of volume 50 of the Federal Register, or the list published on March 31, 1983, at page 13698 of volume 48 of the Federal Register, as modified or amended on November 7, 1983, at page 51204 of volume 48 of the Federal Register."

SEC. 5. (a) Paragraph (1) of section 3 of the White Earth Reservation Land Settlement Act of 1985 (100 Stat. 61, 62) is amended to read as follows—

"(1) 'Heir' means a person who received or was entitled to receive an allotment or interest as a result of testate or intestate succession under applicable Federal or Minnesota law, or one who is determined under section 9, by the application of the inheritance laws of Minnesota in effect on March 26, 1986, to be entitled to receive compensation payable under section 8."

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

(b) Subsection (b) of section 5 of the White Earth Reservation Land Settlement Act is amended to read as follows—

"(b) The 'proper county recording officer', as that term is used in subsection (a) of this section, shall be a county recorder, registrar of titles, or probate court in Becker, Clearwater, or Mahanomen Counties, Minnesota."

Sec. 6. The Secretary of the Interior shall calculate and certify to the Secretary of the Treasury for payment to Cook Inlet Region, Inc., pursuant to section 2 (a) and (e) of Public Law 94-204 (89 Stat. 1146), as amended by section 1411 of Public Law 96-487 (94 Stat. 2497) and section 22 of Public Law 99-396 (100 Stat. 846), a final determination of interest on funds withheld from revenues owed to Cook Inlet Region, Inc. under section 14(g) of the Alaska Native Claims Settlement Act, 43 U.S.C. 1613(g), and paid to the Treasury as windfall profits taxes on oil production from the Swanson River and Beaver Creek units in Alaska of which Cook Inlet Region, Inc. may be regarded as a producer under 26 U.S.C. 4996(a)(1), as though such funds had been withheld before conveyance to Cook Inlet Region, Inc. of interests in leases within those units. Such interest shall be calculated and paid for the period from the dates on which such funds otherwise would have been paid to Cook Inlet Region, Inc. to the date of refund of the principal amounts withheld.

With the following committee amendments:

Page 2, line 1, before the quotation marks, insert a comma and the words "or over".

Page 4, after line 11, insert the following:

Sec. 6. The Secretary of the Interior shall calculate and certify to the Secretary of the Treasury for payment to Cook Inlet Region, Inc., pursuant to section 2 (a) and (e) of P.L. 94-204 (89 Stat. 1146), as amended by section 1411 of P.L. 96-487 (94 Stat. 2497) and section 22 of P.L. 99-396 (100 Stat. 846), a final determination of interest on funds withheld from revenues owed to Cook Inlet Region, Inc. under section 14(g) of the Alaska Native Claims Settlement Act, 43 U.S.C. 1613(g), and paid to the Treasury as windfall profits taxes on oil production from the Swanson River and Beaver Creek units in Alaska of which Cook Inlet Region, Inc. may be regarded as a producer under 26 U.S.C. 4996(a)(1), as though such funds had been withheld before conveyance to Cook Inlet Region, Inc. of interests in leases within those units. Such interest shall be calculated and paid for the period from the dates on which such funds otherwise would have been paid to Cook Inlet Region, Inc. to the date of refund of the principal amounts withheld.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of eligible bills on the Consent Calendar.

THE DEATH OF BILLY GRIEGO

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, this week in Santa Fe a good friend of

mine, Billy Griego, died of AIDS. He was a beautiful person, kind, committed and with a social conscience.

I mention this for two reasons. First, because I have become another statistic, an individual in this country who knows someone that died of AIDS. Second, because the death of Billy Griego, an Hispanic, is another statistic in itself, the growing number of minorities afflicted with this deadly disease.

According to reliable data, the number of AIDS victims is twice, among minorities, than in whites.

Mr. Speaker, since Billy's death I have become more conscious of AIDS because it hit home and that is a problem. Many of us in this country will not react unless it affects us personally.

Let us all, government and private citizens, work together to fight this deadly disease before it touches us personally.

It will, unless we act.

REVIEW OF A LETTER

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BARTON of Texas. Mr. Speaker, each session of Congress, thousands of issues are considered. On many of those issues, the stakes are high. To ensure fair and honest debate, the House has a rigorous set of rules and procedures to follow. This is good.

Sometimes, in presenting their side on an issue, or in trying to build support for their position, Members violate these rules.

Mr. Speaker, I insert into today's RECORD an official letter of a subcommittee of one of the standing committee's of this House. I ask you and my colleagues to review this letter, and ask yourself these questions:

First. Why was it sent on subcommittee stationery instead of the Member's personal stationery?

Second. Why did few, if any, of the subcommittee members know of its transmittal?

Third. Is this letter a violation of the Rules of the House and an abuse of congressional power?

Fourth. What action should the House take to answer the serious questions raised by this letter?

The letter follows:

SUBCOMMITTEE ON
TELECOMMUNICATIONS AND FINANCE,
Washington, DC, July 24, 1987.

Mr. GEORGE L. BALL,
Chairman and Chief Executive Officer, Prudential-Bache Securities, New York, NY.

DEAR MR. BALL: On July 21, 1987, Barry M. Abramson, C.F.A., vice president and Margaret D. Jones, C.F.A., vice president, of your firm responded in writing to an inquiry from Congressman Carlos J. Moorhead con-

cerning the possible impact on the financial markets of my amendment on emergency planning for two nuclear powerplants.

In their letter, Mr. Abramson and Ms. Jones make the assertion that my amendment would lead to a \$100 billion loss to the financial markets: "We would conservatively estimate that a greater than \$100 billion reaction in the financial markets could occur to reflect the potential loss of value of these assets." Mr. Abramson and Ms. Jones then go on to conjecture that my amendment could trigger future brownouts and utility costs which could amount to "upwards of \$200 billion." The text of their letter, as reprinted in the Congressional Record, is enclosed for your review.

As Chairman of the Subcommittee on Telecommunications and Finance, I found this letter surprising and potentially disturbing for a number of reasons: (1) the presence of factual inaccuracies pertaining to the substance of the amendment; (2) the lack of clarity as to the legal and financial assumptions underlying the opinions expressed in the letter; and (3) the appropriateness of Prudential-Bache politicizing official financial research opinions. The letter raises serious questions about the nature and adequacy of the advice provided to your customers, the extent to which this letter need be relied upon by Prudential-Bache in recommendations to your clients, and the reasonableness and prudence of the judgments supporting the opinions expressed in the letter.

In order to establish whether your analysts' letter is in accordance with recommendations which you are making to your clients and therefore not calling into question the anti-fraud provisions of the Federal securities law, I expect that you will supply the Subcommittee on Telecommunications and Finance with the following materials no later than the close of business, Tuesday, July 28, 1987:

(1) Provide all legal opinions, analysis, information, documents memoranda, or notes prepared or relied upon by Prudential-Bache in assessing the impact of the Markey amendment.

(2) When did Prudential-Bache commence and end its analysis concerning the Markey amendment?

(3) When did Prudential-Bache receive Cong. Moorhead's inquiry concerning the amendment? Please provide a copy of Mr. Moorhead's inquiry. Identify all Prudential-Bache employees involved in the handling of Mr. Moorhead's inquiry and describe what their respective roles were.

(4) In fact the July 21, 1987 opinion is the official position of Prudential-Bache, has your company issued or changed any recommendation regarding the purchase or sale of any security, including nuclear utility securities to its customers? If not, why not? Provide all research analysis, as well as all written materials circulated to sales staff or to clients regarding recommendations to buy or sell nuclear utility securities from January 1, 1987 to the present.

(5) Explain in detail how the analysis contained in your letter of July 21, 1987, impacts your decision to recommend the purchase or sale of nuclear utility securities.

(6) Will Prudential-Bache recommend selling and not buying nuclear utility securities if the Markey amendment passes?

We would hope that after careful review of all of the circumstances surrounding the issuance of the July 21, 1987 letter Prudential-Bache would disavow the opinions expressed therein and withdraw the letter.

If you have any questions concerning this request do not hesitate to contact Mr. Lawrence R. Sidman, staff director and chief counsel of the Subcommittee at (202) 226-2424.

Sincerely,

EDWARD J. MARKEY,
Chairman.

FAKE FASTENERS

(Mr. ECKART asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ECKART. Mr. Speaker, fake industrial fasteners—bolts, nuts and screws—pose an invisible threat to our Nation's security and costing the U.S. 30,000 jobs. Millions of the 7 billion large bolts and screws used every year in the U.S. in airplanes, nuclear powerplants, bridges, highrise buildings, and defense machinery fail to meet necessary standards. Fake bolts were even found in the space shuttle program's ground support system.

When used improperly, bolts and screws can fail, causing equipment breakdown, injuries and deaths. No one knows exactly how many substandard bolts have been installed throughout the country. But surveys of defense contractor inventories have found counterfeit levels as high as 50 percent. One defense procurement office bought over 10 million counterfeits of a particular bolt in just 2 years.

The root of the problem are foreign manufacturers who have flooded the U.S. market with cheap counterfeit and mismarked bolts, apparently at the request of American importers. Our domestic industry has been almost wiped out, thanks to the failure of the Commerce Department and the International Trade Commission to recognize the importance of the fastener industry to our national defense.

Indeed, the Government has been slow to respond to this threat. In 1981, the Nuclear Regulatory Commission reported more bolt failures at nuclear powerplants than had been reported since 1964; yet NRC took no action to correct the problem. And in 1986, NRC inspection reports found that low-strength bolts are randomly used in nuclear powerplants in applications requiring high-strength bolts. Still, the NRC remains a silent regulator on this issue. The consequences of equipment failure at nuclear powerplants would be devastating; yet, the NRC and the nuclear industry are playing Russian roulette with safety.

As late as June 9 of this year, the Commerce Department issued an economic assessment of the domestic fastener industry which completely ignored the widespread problem of mismarked foreign bolts.

Instead of burying its head in the sand and hoping the problem won't be noticed, the Government needs to act.

The Energy and Commerce Committee, under the leadership of Chairman DINGELL, is conducting an investigation and holding hearings to determine the extent of the problem and possible solutions. At a minimum, we must stop the flow of fraudulent bolt imports, purge civilian and defense inventories, and devise a system to ensure we don't simply replace bad with worse.

GETTING OUR NUCLEAR WASTE DISPOSAL PROGRAM BACK ON TRACK

(Mr. MORRISON of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORRISON of Washington. Mr. Speaker, today I am introducing legislation that will provide the direction that is so necessary if we are to get our Nuclear Waste Disposal Program back on track.

This bill would temporarily halt the selection process for a geologic repository and establish a system for selecting at least four regional, above ground storage facilities for the packaging and storage of our spent nuclear fuel and high-level radioactive waste.

The current disposal program, mandated under the Nuclear Waste Policy Act, is simply not working as envisioned by Congress. Rather than place the blame, I am offering an alternative specifically designed to fit in with legislation recently introduced by Congressman UDALL, the Nuclear Waste Policy Commission Act of 1987. While the Udall bill calls for a Commission to review the Geologic Disposal Program, this legislation would ensure safe but rapidly available temporary storage. Under this combination we can guarantee safe storage and eventually permanent disposal for spent fuel and high level radioactive waste. An added advantage to this approach is the easy access an above ground storage facility would provide should this Nation decide to process and use this valuable resource.

This is how the legislation would work. The bill requires the Department of Energy to establish criteria for the selection of these facilities in conjunction with the Environmental Protection Agency and the Nuclear Regulatory Commission. The DOE then has latitude to select at least four sites that meet this criteria. The criteria require the DOE to meet existing environmental laws; consider any possible adverse effects on the local communities; and minimize transportation and handling of radioactive waste. The DOE would also be required to consider the use of existing Federal facilities during the site selection process. State and Indian tribes would retain the veto power and the financial assistance provisions of the existing Nuclear

Waste Policy Act. The legislation also encourages the storage of wastes near the area of generation, thus reducing transportation and forcing regions to take more responsibility for the waste they generate.

I am concerned that the current implementation of the Geologic Disposal Program is simply not meeting the needs of the expectations of a public that depends on nuclear energy for 18 percent of their electrical energy. The establishment of regional storage facilities can provide assurances that nuclear waste can be properly disposed of while giving Congress and the public more time to determine if the geologic disposal option mandated under the Nuclear Waste Policy Act is the best approach for long-term disposal of these materials.

SECTION-BY-SECTION ANALYSIS—REGIONAL MONITORED RETRIEVABLE STORAGE ACT, HON. SID MORRISON, AUGUST 3, 1987

SECTION 1

Titles the bill the "Regional Monitored Retrievable Storage Act." Offers an explanation of the need for the legislation.

SECTION 2

Suspends site specific activities of the geologic repository program and the single MRS program. Activities could not resume until reauthorized by Congress.

SECTION 3

Authorizes the Secretary of Energy to develop and construct at least four regional monitored retrievable storage facilities, one in each of four designated regions of the country. Establishes criteria for the design of the facilities which include a 15,000 metric ton capacity and a 50 year minimum life. Establishes site selection criteria which must consider environmental concerns, minimization of transportation, and use of existing federal facilities. Precludes the construction of a geologic repository in a state that hosts an MRS. Encourages the storage of radioactive waste within the region where it is generated. Provides authorization for financial assistance to affected states and Indian tribes. Allows affected states and Indian tribes veto power as prescribed in the Nuclear Waste Policy Act of 1982.

SECTION 4

Accelerates a program of research and development of alternatives for permanent disposal of spent fuel and radioactive wastes. Establishes a university-based consortium to investigate the feasibility of sub-seabed disposal. Authorizes funding for the sub-seabed disposal program.

SECTION 5.

Provides authority for states to regulate transportation of radioactive materials through permitting, driver training and use restrictions.

THE PEOPLE OF NICARAGUA DID NOT CHOOSE COMMUNISM

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, as the Iran-Contra hearings wind down, the Congress should be mindful that the American people now understand that

the President's Contra aid request is the best and only hope for a democratic solution in Nicaragua.

Unfortunately, when it comes to supporting democracy in Nicaragua the knee-jerk reaction of many Democrats in Congress has been, "just say no!"

Why have these Democrats turned their back on their own heritage? In 1940 President Franklin Roosevelt said, "the people of other nations have the right to choose their own form of government. But we in this Nation believe that such a choice should be predicated on certain freedoms which we think are essential everywhere."

The people of Nicaragua did not choose communism!!

And reflect on the second part of F.D.R.'s statement, "We in this Nation believe that such a choice should be predicated on certain freedoms which we believe are essential everywhere."

F.D.R. was talking about the right to assemble, the freedom of the press and the right to vote in free and fair elections. These are the freedoms which the Contras are willing to fight and die for.

Lt. Col. Oliver North of the U.S. Marine Corps is right and the American people know he is right! They know it because they share a heritage with the democratic resistance, the Contras, in their fight for freedom and democracy.

The Congress must support the President's request to fund the democratic resistance in Nicaragua.

INTRODUCTION OF LEGISLATION TO REHIRE 1,000 AIR TRAFFIC CONTROLLERS

(Mr. MOLINARI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLINARI. Mr. Speaker, today marks the sixth anniversary of the PATCO strike. On August 3, 1981, 11,400 controllers walked out on an illegal strike. The President rightly fired them. At that time, the Federal Aviation Administration promised the flying public that the air traffic control system would be rebuilt within 2½ years. Today, 6 years since the strike and 3½ years after the predicted recovery date, we are still far from recovered.

The public knows it and the safety indicators show that the system is in a crisis. Pilot reported near midair collisions, for example, have increased 30 percent in the first half of 1987. Today we have 3,500 fewer experienced controllers than before the strike. We desperately need experience in our control facilities.

It is time to put aside the unaltered opposition to the selective rehiring of some of the fired controllers. I have introduced legislation, H.R. 378, to

rehire 1,000 of the fired controllers over the next 2 fiscal years. The bill currently has 171 cosponsors. After 6 years and for sake of safety and safety alone, I appeal to my colleagues and the administration to support my legislation.

FEDERAL TAXPAYERS' RIGHT-TO-KNOW ACT

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, while preparing my Michigan tax return earlier this year I noticed that Michigan puts two pie charts on its tax instruction booklet. One illustrates the source of State revenues and one indicates how those tax dollars are actually spent.

It occurred to me that the Federal Government should provide taxpayers with the same information.

As a consequence, I recently introduced the Federal Taxpayers' Right-To-Know Act. This bill would require the IRS to provide two pie charts on the cover of its tax instruction booklet, one which illustrates the source of Federal revenues and another which indicates how these Federal tax dollars are spent.

I believe that the simple step contained in this bill would encourage greater public interest, and greater understanding of issues related to Federal revenues and expenditures and budgeting. Providing taxpayers with this information will, in my view, encourage more informed public debate on federal budget policy that will hopefully contribute to the national consensus necessary to bring the deficit crisis under control.

I would encourage my colleagues to consider their cosponsorship of this legislation.

□ 1215

PROPOSED LEGISLATION WOULD SET LIMITS FOR CONTINUED REFLAGGING OF KUWAITI SHIPS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the Persian Gulf is like a time bomb ticking down to a crisis. Recently our allies, France and England, have decided that they will not send minesweepers to the gulf because, in their words, they do not want to intensify a possible conflict.

In fact, France will not help, England will not help, and not even Kuwait will help or cooperate even though it is their oil we are protecting. In fact, what they say, Mr. Speaker, is, if this thing is going to blow up, let it blow up in the face of America. They

are saying, "Let American taxpayers pay. Let Americans take the risks and possibly die. Don't endanger ourselves."

Mr. Speaker, the bottom line is that I think it is time America stop this joy ride, this free ride, all over the planet. They should pay their own way. H.R. 3039, which I have introduced, has 70 cosponsors already, and it basically says this: If Kuwait will not let our minesweeping helicopters land on their property and give us the assistance we need to protect the lives of our troops, then we will take our flags off their tankers. I think it is time that Congress starts to act responsibly. The joy ride is over.

TODAY'S AGENDA INCLUDES LEGISLATION TO IMPROVE VETERANS' HOUSING PROGRAMS

(Mr. BROOKS asked and was given permission to address the House 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, I rise in support of H.R. 2672. It is a good bill and will provide much needed assistance to the veterans who are so deserving. It was put together by the hard work, dedication, and diligence of the Housing and Memorial Affairs Subcommittee under the leadership of the gentlewoman from Ohio, Chairwoman MARCY KAPTUR and under the general directorship of the gentleman from Mississippi, General SONNY MONTGOMERY.

I would like to call to the House's attention one example of her hard work. Last Friday, Ms. KAPTUR took her subcommittee to Houston to review the administration of the VA's Home Loan Guaranty Program there. Testimony at this hearing confirmed that major deficiencies exist in the VA's policies and procedures in providing for the veterans' housing needs in southeast Texas.

H.R. 2672 which we are considering today will bring much needed improvement to the VA's Housing Program. However it is up to the administration to address many of the managerial deficiencies that exist in southeast Texas.

I urge my colleagues to support H.R. 2672.

WHAT THE HECK IS GOING ON IN THE PERSIAN GULF?

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, last week on this floor I addressed the House and I asked the President as Commander in Chief, "What the heck is going on?" We have a \$300 billion

defense budget, a 600-ship Navy, and yet some World War II vintage mines supposedly placed by the Iranians were able to stop our convoy so that the United States was in the unfortunate position of having its up-to-date destroyers and frigates have to hide behind the tanker *Bridgeton*. Well, a day later Robert Sims at the Pentagon got up and said that some of us here in Congress did not understand defense policy because the mines were placed where we did not think they would be.

Well, I can say to Mr. Sims that you do not have to be a military genius to realize that the Iranians would place the mines where we thought they would not, and if you were sitting down and thinking about naval policy 6 months ago and you were asked, what is an area we should prepare for, it would be the closure of the Persian Gulf, one of the most vital waterways in the free world.

A picture is equal to a thousand words, Mr. Speaker, and this Herblock cartoon in the Washington Post I think, sums it up well. It shows the United States shouldering supercarriers, nuclear missiles, a 600-ship Navy, superplanes, and it stubs its toe on a World War II mine. The title is "Oops."

Mr. Speaker, we have to straighten out our defense budget and get those priorities set, and until then we ask, "Mr. President, as Commander in Chief, what the heck is going on?"

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. LEATH of Texas) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC, July 31, 1987.

Hon. JIM WRIGHT,
The Speaker, House of Representatives,
Washington DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 5:31 p.m. on Friday, July 31, 1987 and said to contain a message from the President whereby he transmits the United States Arctic Research Plan pursuant to Section 109 of P.L. 98-373.

With great respect, I am,

Sincerely yours,

DONALD K. ANDERSON,
Clerk, House of Representatives.

U.S. ARCTIC RESEARCH PLAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science, Space, and Technology:

(For message, see proceedings of the Senate of Friday, July 31, 1987, at page S11056.)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken at the conclusion of legislative business today.

VETERANS' HOUSING REHABILITATION AND PROGRAM IMPROVEMENT ACT OF 1987

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2672) to amend title 38, United States Code, for the purpose of improving veterans' housing programs, as amended.

The Clerk read as follows:

H.R. 2672

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Housing Rehabilitation and Program Improvement Act of 1987".

(b) REFERENCE.—Whenever in this Act an amendment, repeal, redesignation, or transfer is expressed in terms of an amendment to, or repeal, redesignation, or transfer of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code, unless otherwise specified.

SEC. 2. SENSE OF CONGRESS REGARDING SALE OF CERTAIN LOANS.

(a) FINDINGS.—The Congress finds that—
(1) a recent change in accounting procedures proposed by the Office of Management and Budget and concurred in by the Congressional Budget Office with regard to accounting for the proceeds of loans sold with recourse by an agency of the Federal Government has had a significant effect and seriously limited the policymaking function of the Congress;

(2) this change was accepted by the Congressional Budget Office without consultation with committees affected by such change; and

(3) further, continued efforts to achieve short-term savings in the Veterans' Administration loan guaranty revolving fund are compromising the Administrator of Veterans' Affairs' ability to manage soundly the financing of the Veterans' Administration housing loan guaranty program, thereby jeopardizing the future of this very successful program.

(b) SENSE OF CONGRESS.—It is therefore the sense of the Congress—

(1) that the Congressional Budget Office should reverse its decision on accounting for loans sold with recourse by the Veterans' Administration; and

(2) that, consistent with section 7 of the concurrent resolution on the budget for

fiscal year 1988, any change in the assets sales policy of the Veterans' Administration should not be considered in future budget resolutions as a means of achieving deficit reduction.

SEC. 3. LOAN ORIGINATION FEE.

(a) EXTENSION.—Section 1829(c) is amended by striking out "1987" and inserting in lieu thereof "1989".

(b) WAIVER.—Section 1829(b) is amended by striking out "described in section 1801(b)(2) of this title" and inserting in lieu thereof "of any veteran (including a person who died in the active military, naval, or air service) who died from a service-connected disability".

SEC. 4. GUARANTY AMOUNT.

(a) PURCHASE OR CONSTRUCTION OF HOMES.—(1) Section 1803(a)(1) is amended by striking out "in an amount" and all that follows and inserting in lieu thereof the following: "in an amount not to exceed—

"(A) 40 percent of the loan, or \$40,000, whichever is less, reduced by

"(B) the amount of entitlement previously used by the veteran under this chapter and not restored as a result of the exclusion in section 1802(b) of this title."

(2) Section 1810(c) is repealed.

(b) MANUFACTURED HOMES.—Section 1819(c) is amended—

(1) in paragraph (3), by striking out the first sentence and inserting in lieu thereof the following: "The Administrator's guaranty may not exceed—

"(A) 30 percent of the loan, or \$20,000, whichever is less, reduced by

"(B) the amount of entitlement previously used by the veteran under this chapter and not restored as a result of the exclusion in section 1802(b) of this title."; and

(2) by striking out paragraph (4).

(c) DIRECT LOANS.—Section 1811 (d)(2)(A) is amended by striking out "\$27,500" each place it appears and inserting in lieu thereof "\$40,000".

SEC. 5. ASSISTANCE PROVIDED IN DEFAULT.

Section 1816(a) is amended by adding at the end the following new paragraph:

"(4) Upon receipt of a notice pursuant to paragraph (1) of this subsection, the Administrator shall, through the appropriate local office of the Veterans' Administration, contact the veteran concerned for the purpose of providing the veteran with information about—

"(A) alternatives to foreclosure, including possible methods of curing the default such as (i) conveying the property to the Administrator, or (ii) utilizing the methods authorized by sections 1832(a)(2) and 1813 of this chapter; and

"(B) in the case of foreclosure, the—

"(i) Veterans' Administration and the veteran's liability with respect to the loan; and

"(ii) methods of reducing the veteran's liability to the Veterans' Administration,

unless the Administrator has received satisfactory assurances that the lender had adequately advised the veteran with respect to such matters. The Administrator shall, to the extent of the availability of appropriations, take such steps as are necessary to assure that sufficient personnel are available to effectively and efficiently administer this paragraph."

SEC. 6. ACTIONS WITH RESPECT TO DEFAULTED LOANS.

(a) DETERMINATION OF TOTAL INDEBTEDNESS.—Section 1816(c) is amended—

(1) in paragraph (1)(D), by striking out "The" and inserting in lieu thereof "Except

as provided by paragraph (10)(B) of this subsection, the";

(2) in clause (ii) of paragraph (1)(D), by striking out "of the liquidation sale" and all that follows in such clause and inserting in lieu thereof the following: "applicable under paragraph (10)(A) of this subsection, and"; and

(3) by adding at the end the following new paragraph:

"(10)(A) The date referred to in paragraph (1)(D)(ii) of this subsection shall be—

"(i) the date of the liquidation sale of the property securing the loan;

"(ii) in any case in which there is a delay in such sale beyond a reasonable period of time caused by the holder of such loan, such earlier date as the Administrator may specify pursuant to regulations prescribed by the Administrator to implement this subsection; or

"(iii) in any case in which there is a delay in such sale beyond a reasonable period of time caused by—

"(I) the Veterans' Administration;

"(II) a voluntary case commenced under title 11, United States Code (relating to bankruptcy); or

"(III) the holder of the loan exercising forbearance at the request of the Administrator, such earlier date which the Administrator shall specify pursuant to such regulations.

"(B) For the purpose of determining the liability of the United States under a loan guaranty under clause (B) of paragraphs (5), (6), (7), and (8) of this subsection, the amount of the total indebtedness with respect to such loan guaranty shall include, in any case where there was a delay beyond a reasonable period of time caused by the Veterans' Administration in the liquidation sale of the property securing such loan, any interest which had accrued as of the date of such sale and which would not be included, except for this subparagraph, in the calculation of such total indebtedness as a result of the specification of an earlier date under subparagraph (A)(iii) of this paragraph."

(b) NUMBER OF VENDEE LOANS.—Section 1816(d)(1) is amended by striking out "not more than 75 percent, nor less than 60 percent," in the first sentence and inserting in lieu thereof "not more than 75 percent (65 percent in the case of fiscal years 1988, 1989, and 1990), nor less than 60 percent (50 percent in the case of fiscal years 1988, 1989, and 1990)."

(c) EXTENSION.—(1) Subsection (c) of section 1816 is amended by adding at the end (after the paragraph added by subsection (a) of this section) the following new paragraph:

"(11) This subsection shall cease to have effect on October 1, 1989."

(2) Subsection (d) of section 1816 is amended by adding at the end (after the paragraph added by section 10 of this Act) the following new paragraph:

"(5) This subsection shall cease to have effect on October 1, 1989."

(3) Paragraph (2) of section 2512(c) of the Deficit Reduction Act of 1984 (Public Law 98-369; 98 Stat. 1117) is repealed.

(d) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to defaults which occur on or after 30 days after the date of the enactment of this Act.

SEC. 7. DIRECT LOANS IN AMERICAN SAMOA.

Section 1811 is amended by adding at the end the following new subsection:

"(1) The Administrator shall make loans, in accordance with subsection (d)(2) and the other provisions of this section, to eligi-

ble veterans in American Samoa in an amount equal to the amount provided to such veteran by the government of American Samoa."

SEC. 8. REMOVAL OF OCCUPANCY REQUIREMENTS IN CERTAIN CASES.

(a) REFINANCING.—(1) Section 1810(e)(1)(B) is amended by striking out "and occupied by the veteran as such veteran's home" and inserting in lieu thereof "by the veteran".

(2) Section 1819(a)(4)(A)(ii) is amended by striking out "and occupied by the veteran at such veteran's home" and inserting in lieu thereof "by the veteran".

(3) Section 1819(e)(5) is amended by inserting before the semicolon the following: "except that the requirement of this clause shall not apply (A) in the case of a guaranteed loan that is for the purpose described in paragraph (1)(F) of subsection (a), or (B) in the case described in section 1804(c)(2)".

(b) OTHER SITUATION.—(1) Section 1804(c) is amended—

(A) by striking out "(c) No" and inserting in lieu thereof "(c)(1) Except as provided in paragraph (2) of this subsection, no";

(B) by striking out "No loan" in the second sentence and inserting in lieu thereof "Except as provided in paragraph (2) of this subsection, no loan"; and

(C) by adding the following paragraph at the end:

"(2) In any case in which a veteran is in active duty status as a member of the Armed Forces, the occupancy requirements of—

"(A) paragraph (1) of this subsection;

"(B) paragraphs (1) through (5) and paragraph (7) of section 1810(a) of this title;

"(C) section 1812(a)(5)(A)(i) of this title;

"(D) section 1812(e)(5) of this title;

shall be considered to be satisfied if the spouse of the veteran occupies the property as the spouse's home and the spouse makes the certification required by paragraph (1) of this subsection."

(2) Section 1810(a) is amended by striking out "(a) Any" and inserting in lieu thereof "(a) Except as provided in section 1804(c)(2) of this title, any".

(3) Section 1819(a)(5)(A)(i) is amended by inserting "(except as provided in section 1804(c)(2) of this title)" after "by the veteran".

SEC. 9. PROPERTY MANAGEMENT.

(a) HOMELESS PROGRAM.—(1) To assist homeless veterans and their families acquire shelter, the Administrator of Veterans' Affairs may enter into agreements described in paragraph (2) of this subsection with—

(A) any organization named in, or approved by the Administrator under, section 3402 of title 38, United States Code;

(B) any political subdivision of any State;

or

(C) the District of Columbia.

(2) To carry out paragraph (1) of this subsection, the Administrator may enter into agreements to sell real property, and improvements thereon, acquired by the Administrator as the result of a default on a loan made or guaranteed under chapter 37 of title 38, United States Code. Such sale may be for such consideration as the Administrator determines is in the best interests of homeless veterans and the Federal Government.

(3) The Administrator may enter into an agreement under paragraph (1) only if—

(A) the Administrator determines that such an action will not adversely affect the Veterans' Administration's ability—

(i) to fulfill its statutory missions with respect to the Veterans' Administration loan guaranty program and the short- and long-

term solvency of the Loan Guaranty Revolving Fund; or

(ii) to carry out other functions and administer other programs authorized by law; (B) the entity to which the property is sold agrees to (i) utilize the property solely as a shelter primarily for homeless veterans and their families, (ii) to comply with all zoning laws relating to the property, and (iii) to make no use of the property that is not compatible with the area where the property is located; and

(C) the Administrator determines that there is little likelihood of the property being sold for a price sufficient to reduce the liability of the Veterans' Administration of the veteran who had defaulted on the loan guaranteed under chapter 37 of title 38, United States Code.

(b) JOB TRAINING PROGRAM.—(1) To assist veterans obtain training pursuant to the Veterans' Job Training Act, the Administrator may convey, to persons described in paragraph (2) of this subsection, real property and improvements described in subsection (a)(2) of this section for an amount not less than 75 percent of the fair market value of such real property and improvements.

(2) The Administrator may convey such property to persons who enter into an agreement with the Administrator to—

(A) use veterans in a program of job training under the Veterans' Job Training Act in the rehabilitation of residences on such real property; and

(B) provide a priority to veterans in the sale of such rehabilitated residences.

(3) The Administrator shall reduce the amount of any liability that a veteran has with respect to any property conveyed under this section by an amount equal to the reduction in the sale price of the property below the fair market value of the property.

SEC. 10. REHABILITATION WITH VENDEE LOANS.

Section 1816(d) is amended by adding at the end the following new paragraph:

"(4) The Administrator may include, as part of a loan to finance a purchase of property acquired by the Administrator as a result of a default on a loan guaranteed under this chapter, an amount to be used only for the purpose of rehabilitating the property to be purchased with the loan. Such amount may not exceed the amount necessary to rehabilitate the property to a habitable state and shall be made available periodically as such rehabilitation is completed."

SEC. 11. NOTIFICATION REQUIREMENT IN CASE OF ASSUMPTION OF LOAN.

(a) IN GENERAL.—Section 1817—

(1) is transferred to, and redesignated as, section 1814; and

(2) is amended to read as follows:

"§ 1814. Release from liability under guaranty

"(a)(1) If a veteran disposes of residential property securing a guaranteed, insured, or direct housing loan obtained by the veteran and the veteran notifies the holder of the loan before the property is disposed of, the veteran shall be relieved of all further liability to the Administrator on account of such loan (including liability for any loss resulting from any default of the transferee or any subsequent purchaser of such property) if—

"(A) the loan is current, and

"(B) the purchaser of such property from such veteran—

"(i) is obligated by contract to purchase such property and to assume full liability for the repayment of the balance of the loan remaining unpaid and has assumed by contract all of the obligations of the veteran

under the terms of the instruments creating and securing the loan; and

"(ii) qualifies from a credit standpoint, to the same extent as if the transferee were a veteran eligible under section 1810 of this title, for a guaranteed or insured or direct loan in an amount equal to the unpaid balance of the obligation for which the transferee has assumed liability.

"(2) If the holder determines that the loan is not current or that the purchaser of such property does not meet the requirements of paragraph (1)(B) of this subsection, the holder shall—

"(A) notify the veteran and the Administrator of such determination; and

"(B) notify the veteran that the veteran may appeal the determination to the Administrator.

"(3)(A) Upon the request of the veteran after a determination described in paragraph (2) is made, the Administrator shall review and make a determination with respect to whether the loan is current and whether the purchaser of such property meets the requirements of paragraph (1)(B) of this subsection.

"(B) If the Administrator determines that the loan is current and that the purchaser meets the requirements of paragraph (1)(B) of this subsection, the holder shall approve the transfer, and the veteran shall be relieved of all liability with respect to such loan.

"(C) If—

"(i) the Administrator determines that the loan is not current or that the purchaser does not meet the requirements of paragraph (1)(B) of this subsection; or

"(ii) no appeal is made by the veteran under subparagraph (A) of this paragraph within 30 days after the holder informs the veteran of its determination under paragraph (2) of this subsection,

the holder may demand immediate, full payment be made of the principal, and all interest earned thereon, of such loan if the veteran disposes of the property.

"(b) If a veteran disposes of residential property described in subsection (a)(1) of this section and the veteran fails to notify the holder of the loan before the property is disposed of, the holder, upon learning of such action by the veteran, may demand immediate, full payment be made of the principal, and all interest earned thereon, of such loan.

"(c)(1) In any case in which the holder of a loan described in subsection (a)(1) of this section has knowledge of a veteran's disposing of residential property securing such loan, the holder shall notify the Administrator of such action.

"(2) If the holder fails to notify the Administrator, the holder shall be liable to the Administrator for any damage sustained by the Administrator as a result of such failure, as determined at the time the Administrator has to make payments in accordance with any insurance or guarantee made by the Administrator with respect to the loan concerned.

"(d) The Administrator shall provide that each contract entered into by a veteran with respect to a guaranteed, insured, or direct housing loan shall contain provisions implementing the requirements of this section."

(b) **EFFECTIVE DATE.**—(1) The amendment made by subsection (a) shall apply to loans for which commitments are made on or after 90 days after the date of the enactment of this Act.

(2) Section 1817 of title 38, United States Code, shall continue to apply to loans for

which commitments were made before the effective date of paragraph (1) of this subsection in the same manner in which such section was applicable to such loans before such effective date.

SEC. 12. MORTGAGE PAYMENT ASSISTANCE TO AVOID FORECLOSURE OF HOME LOANS GUARANTEED BY THE VETERANS' ADMINISTRATION.

(a) **IN GENERAL.**—Chapter 37 is amended by inserting after section 1812, as transferred and redesignated as such by section 16(b)(1) of this Act, the following new section:

"§ 1813. Loans to refinance delinquent indebtedness

"(a)(1) The Administrator may, at the Administrator's option, provide assistance to a veteran under this section for the purpose of avoiding the foreclosure of a housing loan made to that veteran and guaranteed by the Administrator under section 1810 or 1812 of this title (hereinafter in this section referred to as a 'primary loan').

"(2) Assistance under this section shall be in the form of a loan to the veteran. Such assistance may be provided only if—

"(A) the dwelling that secures the primary loan is the current residence of the veteran and is occupied by the veteran as the veteran's home;

"(B) the veteran is at least six months delinquent in payments on that primary loan;

"(C) the veteran is unemployed or has had a substantial reduction in household income (as defined in regulations prescribed by the Administrator) through no fault of the veteran; and

"(D) the Administrator determines that there is a reasonable prospect that the veteran will be able to resume payment on the primary loan within six months after receiving assistance under this section.

"(3) For the purposes of this section, the term 'veteran' includes the surviving spouse of a veteran if the surviving spouse was a co-obligor of the primary loan.

"(b)(1) A loan under this section shall be advanced to the holder of the primary loan. The amount of the loan under this subsection shall first be applied to the amount delinquent on the loan guaranteed under this chapter including any amount delinquent on taxes, assessments, and hazard insurance required by the holder to be included in the veteran's monthly payment on the mortgage. Any remaining amount of such loan shall be retained by the holder and shall be applied to future payments including taxes, assessments, and hazard insurance due on the loan and unpaid (in whole or in part) on the date the payment becomes due.

"(2) The Administrator may make more than one loan under this section to a veteran. The total amount of loans under this section to any veteran may not exceed \$8,400.

"(c) A loan under this section—

"(1) shall bear interest at the lower of (A) the maximum rate in effect (as of the date of the first loan made to the veteran under this section) for loans guaranteed under section 1810(a)(1) of this title, or (B) the rate on the primary loan;

"(2) shall be secured by a lien on the property securing the primary loan and by such other security as the Administrator may require; and

"(3) shall be subject to such additional terms and conditions as the Administrator may require.

"(d) As a condition of receiving a loan under this section the veteran shall execute an agreement, in such form as the Administrator may prescribe, to repay the loan within a reasonable period of time, as deter-

mined by the Administrator, not to exceed 15 years from the date on which such loan is made. If the Administrator determines that the veteran has sufficient income or other resources to do so, the Administrator may require the veteran to make partial payments on the primary loan guaranteed under this chapter during the period the holder of that loan is applying the amount of the loan under this section to payments becoming due on the primary loan.

"(e) Notwithstanding any other law, the Administrator may employ attorneys to bring suit to collect any amount of a loan under this section on which the veteran to whom the loan is made is in default.

"(f) The Administrator's decisions on any question of law or fact regarding assistance under this section, including whether or not to grant such assistance and the terms and conditions under which such assistance is granted or not granted, shall be final and conclusive, and no other official or any court of the United States shall have power or jurisdiction to review any such decision by an action in the nature of mandamus or otherwise.

"(g) The Administrator may not make a loan under this section after the end of the two-year period beginning on the effective date of this section."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect at the end of the 60-day period beginning on the date of the enactment of this Act.

SEC. 13. APPRAISALS.

(a) **QUALIFICATION FOR APPRAISERS.**—Section 1831(a)(1) is amended by inserting before the semicolon at the end the following: "including the successful completion of a written test, submission of a sample appraisal, certification of an appropriate number of years of experience as an appraiser, and submission of recommendations from other appraisers".

(b) **LENDER APPRAISAL.**—(1) Section 1831 is amended—

(A) in subsection (c), by striking out "The Administrator shall, upon request," and inserting in lieu thereof "Except as provided in subsection (f) of this section, the appraiser shall forward an appraisal report to the Administrator for review. The Administrator shall then determine the reasonable value of the property for purposes of this chapter, and notify the veteran of such determination. Upon request, the Administrator shall";

(B) in subsection (d), by striking out "lender—" and inserting in lieu thereof "lender (other than a lender described in subsection (f) of this section)—"; and

(C) by adding at the end thereof the following new subsection:

"(f) The Administrator may, in accordance with standards and procedures established by the Administrator, authorize certain lenders to determine the reasonable value of the property. In such a case, the appraiser selected by the Administrator pursuant to subsection (b) of this section shall forward the appraisal report directly to the lender for review who shall, upon request, furnish a copy of such appraisal to the veteran concerned."

(2) Section 1810(b) is amended—

(A) in paragraph (5), by striking out "by the Administrator;" and inserting in lieu thereof, "pursuant to section 1831 of this title"; and

(B) by striking out the final sentence thereof.

SEC. 14. EXCLUSION FROM VETERAN'S LIABILITY.

Subchapter III of chapter 37 is amended by adding the following new section after the section added by section 16(b)(3) of this Act:

"§ 1834. Exclusion from liability

"In any case in which the Administrator refuses to accept a veteran's offer to convey the property securing a housing loan which is guaranteed under this chapter and with respect to which a default has occurred, the Administrator may not include in the liability of the veteran to the Administrator with respect to such loan any interest or other charges, including the cost of foreclosure proceeding, incurred with respect to such loan after 30 days after the date on which such offer is made."

SEC. 15. DEMONSTRATION PROGRAM.

(a) IN GENERAL.—(1) The Administrator of Veterans' Affairs shall carry out a demonstration project under this section during fiscal years 1988 and 1989 for the purpose of guaranteeing loans in a manner similar to the manner in which the Secretary of Housing and Urban Development insures adjustable rate mortgages under section 251 of the National Housing Act.

(2) The Administrator shall carry out such project through the housing loan guaranty program office at a regional office of the Veterans' Administration.

(b) REPORT.—The Administrator shall transmit a report to the Congress no later than December 31, 1989, containing a description of the results of the implementation of the project carried out under this section and shall continue to make annual reports to the Congress with respect to the default rate and other information concerning the loans guaranteed under this section.

SEC. 16. TECHNICAL AMENDMENTS.

(a) TECHNICAL REORGANIZATION OF SUBCHAPTER I OF CHAPTER 37.—(1) Section 1802(a) is amended—

(A) by striking out "(a)" and inserting in lieu thereof "(a)(1)";

(B) by striking out the first sentence and inserting in lieu thereof: "The veterans described in paragraph (2) of this subsection are eligible for the housing loan benefits of this chapter.";

(C) by striking out "in the preceding sentence, or in section 1818 of this title," in the second sentence and inserting in lieu thereof "in paragraph (2)";

(D) by striking out "(1)" and "(2)" in the second sentence and inserting in lieu thereof "(A)" and "(B)", respectively;

(E) by redesignating clauses (A) and (B) as clauses (i) and (ii), respectively; and

(F) by adding at the end the following:

"(2) The veterans referred to in the first sentence of paragraph (1) of this subsection are the following:

"(A) Each veteran who served on active duty at any time during World War II, the Korean conflict, or the Vietnam era and whose total service was for ninety days or more.

"(B) Each veteran who was discharged or released from a period of active duty, any part of which occurred during World War II, the Korean conflict, or the Vietnam era, for a service-connected disability.

"(C) Each veteran whose only active duty service occurred after July 25, 1947, and prior to June 27, 1950, and who—

"(i) served for a period of more than 180 days and was discharged or released therefrom under conditions other than dishonorable; or

"(ii) served for a period of 180 days or less and was discharged or released for a service-connected disability.

"(D) Each veteran who served on active duty, any part of which occurred after January 3, 1955, and prior to August 5, 1964, or after May 7, 1975, and who—

"(i) served for a period of more than 180 days and was discharged or released therefrom under conditions other than dishonorable;

"(ii) has served more than 180 days in active duty status and continues on active duty without a break therein; or

"(iii) was discharged or released from such active duty for a service-connected disability.

"(3) Any entitlement based solely on the provisions of clause (D) of paragraph (2) of this subsection which had not expired as of October 23, 1970, and any such entitlement occurring after such date, shall not expire until used."

(2) Subsection (g) of section 1802 is transferred to the end of subsection (a) of such section, as amended and otherwise modified by the other provisions of this subsection, and is redesignated as paragraph (4) of such subsection (a).

(3)(A) Paragraph (2) of section 1803(a) is transferred to the end of subsection (a) of section 1802, as amended and otherwise modified by the other provisions of this subsection, and redesignated as paragraph (5) of such subsection (a).

(B) Section 1815—

(i) is amended by striking out the section heading; and

(ii) is transferred to the end of section 1803(a) and subsections (a) and (b) of such section 1815 are redesignated as paragraphs (2) and (3) of such section 1803(a).

(4) Sections 1807 and 1818 are repealed.

(b) TECHNICAL REORGANIZATION OF SUBCHAPTERS II AND III OF CHAPTER 37.—(1) Section 1819 (as amended by sections 4(b), 8(a) (2) and (3), and 8(b)(3) of this Act) is transferred to, and redesignated as, section 1812.

(2) The title heading of section 1816 and subsections (a) (as amended by section 5 of this Act), (b), and (c) (as amended by subsections (a) and (c)(1) of section 6 of this Act) of such section 1816 are transferred to, and redesignated as, a new section 1832.

(3) Subsections (d) (as amended by section 2, subsections (b) and (c)(2) of section 6, and section 10 of this Act), (e) and (f) of section 1816 are transferred to, and redesignated as, subsections (a), (b), and (c), respectively, of a new section 1833 with the following heading:

"§ 1833. Property management".

(4) Section 1832—

(A) is amended by striking out the section heading; and

(B) is transferred to the end of the new section 1833 added by paragraph (3) of this subsection and is designated as subsection (d) of such new section 1833.

(c) TABLE OF CONTENTS.—The table of contents of chapter 37 is amended—

(1) by striking out the item for section 1807;

(2) by striking out the items relating to subchapter II and inserting in lieu thereof the following:

"SUBCHAPTER II—LOANS

"1810. Purchase or construction of homes.

"1811. Direct loans to veterans.

"1812. Loans to purchase manufactured homes and lots.

"1813. Loans to refinance delinquent indebtedness.

"1814. Release from liability under guaranty."; and

(3) by striking out the item relating to section 1832 and inserting in lieu thereof the following:

"1832. Procedure on default.

"1833. Property Management."

(d) CONFORMING AMENDMENTS.—(1) Section 1801(a) is amended by striking out "1819(a)(1)" and inserting in lieu thereof "1812(a)(1)".

(2) Section 1803(c)(3) is amended by striking out "1819" in clauses (A) and (E) and inserting in lieu thereof "1812".

(3) Section 1810 is amended—

(A) in subsection (a)(9)(B)(ii), by striking out "section 1819(a)(5)" and inserting in lieu thereof "section 1812(a)(5)"; and

(B) in subsection (g)(2), by striking out "section 1819(e)(2)" and inserting in lieu thereof "section 1812(e)(2)".

(4) Section 1811 is amended by striking out "1819" each place it appears and inserting in lieu thereof "1812".

(5) Any reference, in effect on the date of the enactment of this Act, in any law to any of the sections, or parts thereof, redesignated or transferred by this section shall be construed to refer to the section, or part thereof, as redesignated or transferred by this section.

(e) TECHNICAL NATURE OF AMENDMENTS.—The status of any veteran with respect to benefits under chapter 37 of title 38, United States Code, shall not be affected by the amendments made by, or other provision of, this section.

The SPEAKER pro tempore. Is a second demanded?

Mr. SOLOMON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from New York [Mr. SOLOMON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

H.R. 2672 is a major veterans housing reform measure. I want to commend the distinguished gentlewoman from Ohio [Ms. KAPTUR], the very able chairwoman of our Subcommittee on Housing and Memorial Affairs, for the many hours she has devoted to hearings on every facet of the housing programs administered by the Veterans' Administration. This bill is the result of her leadership. It is the first comprehensive housing reform package to come out of our committee in many years.

So I applaud the gentlewoman for her efforts. I want to thank her for the excellent work she has done. She has held many hearings in Washington and she has conducted extensive oversight hearings in the field. I accompanied her and other members of

the subcommittee to Greenville, SC, earlier this year. We heard excellent testimony from Steadman Sloan, director of the regional office in Columbia, and members of his staff. We heard from my good friend E. Roy Stone, executive committeeman of the American Legion and Paul Greer, past department commander of the Disabled American Veterans. We heard from the mortgage bankers, homebuilders and realtors in the Greenville-Spartanburg area.

We received some very good proposals on how to help the veteran. Some of their recommendations are contained in this bill.

The gentlewoman from Ohio [Ms. KAPTUR] is a member of the Banking and Currency Committee where she is deeply involved in Federal Housing Programs within the jurisdiction of that committee. She has been deeply involved in housing programs in Toledo and other places in her great State.

Last Friday Chairwoman KAPTUR held an oversight hearing in Houston, TX. Houston, Beaumont, and other cities throughout the State have experienced a depressed housing market for the last few years and Miss KAPTUR wanted to see firsthand what needs to be done to assist veterans, lenders, and others who have been affected. Later in the year her subcommittee will hold hearings in Chicago and possibly other areas of the country. So my colleagues can see that the gentlelady is making things happen. She is active and doing an outstanding job in leading this subcommittee.

Mr. Speaker, I also want to thank the distinguished gentleman from Indiana [Mr. BURTON], the ranking minority member of the subcommittee for his cooperation and leadership in helping put together this bill. The gentleman has much experience in housing and real estate and this bill, to a major degree, reflects his views on how we should deal with some of the problems confronting our Nation's veterans and others who desperately seek housing in today's market. I'm grateful to the gentleman for his work.

I want to thank another new member of our committee, the very able gentlelady from the Fourth Congressional District of South Carolina [Mrs. PATTERSON] who invited us to go to her district and hear from the local people. I commend the gentlelady from South Carolina for the time and attention she has given to the work of the committee. She also serves as a member of the Banking and Currency Committee. Her two committees have jurisdiction over most of the Federal housing programs and she is rapidly developing an expertise in housing that will greatly benefit veterans in her district and nonveterans as well who need housing. I am grateful to

the gentlewoman from South Carolina for her service.

Mr. Speaker, the bill before us—H.R. 2672—calls for improvement on three fronts. First, it will assist veterans in purchasing homes. Once the veteran gets his home, provisions in this bill will help the veteran keep the home. Finally, the enactment of this bill will save the Federal Government millions of dollars during the next fiscal year and in the years ahead. It is a measure that I fully support.

I now yield such time as she may consume to the chairwoman of the subcommittee, the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Speaker, the bill H.R. 2672, the Veterans' Housing Rehabilitation and Program Improvement Act of 1987, offers the first really comprehensive look at the VA Home Loan Guaranty Program that Congress has taken since its inception over 40 years ago. To date the VA Housing Program has helped over 12 million veterans and their families obtain home mortgages.

I would like to commend the chairman of the Veterans' Affairs Committee, G.V. (SONNY) MONTGOMERY, for his great leadership in moving this streamlining bill quickly through the legislative process.

I would also like to thank the committee's ranking minority member, GERALD B.H. SOLOMON, and DAN BURTON, ranking minority member for the Subcommittee on Housing and Memorial Affairs, for their excellent support.

The various members of the Subcommittee on Housing and Memorial Affairs have worked diligently through the spring and summer to address on the many challenges facing the VA Home Loan Guaranty Program. Thanks to their active participation in a series of exhaustive hearings both in Washington and in the field, we have been able to develop a bill which is going to make significant improvements in our efforts to assist veterans in obtaining—and keeping—quality, affordable housing.

I would also like to mention the Honorable MARVIN LEATH, the Honorable DOUG BARNARD, and the Honorable LANE EVANS, whose recommendations and participation in our hearings were invaluable.

The VA Home Loan Guaranty Program was established under the Servicemen's Readjustment Act of 1944 (Public Law 78-346). As World War II drew to a close, Congress sought ways to ease the economic and sociological readjustment of returning service men and women to civilian life. The program was an innovative means of affording veterans favorable credit which would allow them to purchase a home, business, or farm. Many of these veterans, because of their service in the Armed Forces, had missed an

opportunity for establishing personal credit or for accumulating enough money for a substantial downpayment on a home. By substituting the guaranty of the United States, these veterans were able to enter the home buying market on a comparable level with their nonveteran counterparts.

Over the years, Congress enacted many changes to the program, to enhance its viability and to respond to developments in the economy and in the needs of veterans. There is now no delimiting date for a veteran to make use of this benefit, and entitlement may be regained once the veteran has paid off the initial loan in full and disposed of the property. The VA may presently guaranty 60 percent of the loan's value, up to a maximum of \$27,500.

Since the inception of the VA Home Loan Guaranty Program in 1944, over 12 million veterans have received VA-backed mortgage assistance. More than 7.5 million of these loans totaling \$102.7 billion have been repaid. The program has been enormously successful in terms of helping veterans to become home owners, and has proved to be a powerful stimulus to the Nation's economy.

HIGH FORECLOSURE RATES

Veterans using the VA Home Loan Guaranty Program have an excellent repayment record. However, the number of foreclosures has been increasing in recent years. While the VA's experience is comparable to FHA and conventional lenders, there is serious concern about the solvency of the revolving fund which must pay claims arising from foreclosures; and above all the devastating effect of foreclosure on veterans who have defaulted on their obligation to repay a loan.

The VA does have loan servicing procedures in place. However, the timeliness in this aspect of the program has deteriorated. H.R. 2672 addresses this problem by requiring the VA to provide more effective servicing when a loan goes into default, to the extent that resources are available. At a minimum, veterans are to be advised of the alternatives to foreclosure that may be available to them, including voluntary deeds-in-lieu of foreclosure.

In addition, the bill establishes a mortgage foreclosure relief program targeted to veterans who have experienced default through no fault of their own. In essence, the bill would authorize the Administrator to make loans for the purpose of providing mortgage assistance, and thereby preventing foreclosures, up to a maximum of \$8,400 to veterans or their surviving spouses, if coobligors, if they are unemployed, have suffered a substantial reduction in household income and have previously guaranteed VA housing loans which are at least 6 months delinquent.

LOAN ASSUMPTIONS

One of the perceived advantages to the VA Home Loan Guaranty Program is easy assumability of such loans when a veteran decides to dispose of the property; however, there have been aspects to this feature which have led to abuse and even fraud. Time and again the committee has heard from veterans whose loans were assumed, but became liable for the debt of the new occupant when the house went into foreclosure. The committee has also received very disturbing reports of certain frauds such as "equity skimming" being perpetrated against veterans. Unscrupulous "investors" assume a veteran's loan, rent the property to make a quick profit, and meanwhile allow the loan to go into default. When they disappear with the rental revenues, the veteran is left with liability for the intervening house payments, and the loan usually is foreclosed.

Although H.R. 2672 keeps the assumability feature in place, it provides better protection for the veteran by requiring new credit underwriting on prospective purchasers who wish to assume the original loan. It further provides the veteran with automatic release from liability so long as the lender is advised, and the properly qualified purchaser agrees by contract to assume responsibility for the loan. If the lender determines that the loan is not current or that the purchaser is not creditworthy, the lender will notify the veteran and the VA. The veteran may appeal the determination to the VA. Should the Administrator determine that the sale meets the requirements, the lender shall approve the transfer and the veteran shall be relieved of all liability.

The bill also provides that the lenders may demand termination of the loan if the sale occurs and the purchaser does not meet the requirements if the veteran fails to notify the lender of the sale.

Lastly, if the lender knowingly fails to notify the Administrator of a sale transaction, the lender will be liable for any damage sustained.

OCCUPANCY REQUIREMENTS

Under current law and implementing regulations, a veteran or service member must physically occupy the property in order to be eligible for refinancing of a VA home loan. This has resulted in hardship and inequity for many home owners, such as active duty military and foreign service personnel, who might be residing abroad temporarily, but who still regard the property as their home. Some veterans with loans bearing a high interest rate are ineligible to refinance a VA loan at the lower rates prevailing in today's market. The result is clearly inequitable, and may have even contributed to some foreclosures which a lower monthly payment might have averted.

H.R. 2672 permits veterans to refinance their VA home loans regardless of personal occupancy. In addition, loan originations are permitted for active duty servicemen so long as the veteran's spouse occupies the home.

LOAN GUARANTY FORMULA

H.R. 2672 changes the loan guaranty formula from 60 percent of the conventional housing loan up to \$27,500 to 40 percent of the loan up to \$40,000. The current formula is set up in such a way that veterans with a \$50,000 loan can end up with as great a debt as veterans with a \$110,000 loan. The proposed formula will help to correct this inequity. In addition, it will limit unnecessary risks to both the borrower and the revolving fund. The Congressional Budget Office estimates that this change in the guaranty formula will save \$33 million over a 3-year period. These savings will be used by the committee to meet, in part, its reconciliation targets.

It should also be pointed out that 40 percent guaranty would continue to provide better credit protection for the lender than is currently available under conventional loans, which generally require a 20- to 25-percent downpayment.

APPRAISALS

Two additional opportunities for improving the VA appraisal process have been incorporated into H.R. 2672. First, since there are no uniform industry procedures for licensing real estate appraisers, the bill outlines specific qualifications for VA fee-basis appraisers. These include successful completion of a written test, submission of a sample appraisal, evidence of an appropriate level of experience as an appraiser, and submission of recommendations from other appraisers. By applying a more stringent and consistent set of professional standards to its fee-basis appraisers, the VA should be able to achieve overall improvements in the quality of appraisals on prospective veteran loans.

H.R. 2672 also authorizes appraisal reports to be sent directly to certain lenders for expedited review and reasonable value determination. Under current procedures, the appraisal must first be sent to the VA for review and certification, and then forwarded to the lender. The bill would authorize appraisal reports to be sent directly to certain lenders for expedited review and reasonable value determination. Since 75 percent of all VA-guaranteed loans are underwritten by automatic lenders, the new procedure will reduce the paperwork and processing time for a significant number of loans, will allow faster loan processing and with less frustration, and should free up VA personnel who presently review such appraisals and issue CRV's for other critical activities, such as servicing on delinquent loans.

HOUSING REHABILITATION LOANS

Some of the VA's foreclosed homes have fallen into a state of disrepair. They in turn have become a blight on the neighborhood, and may be difficult to sell. Although the VA may use money from the loan guaranty revolving fund to institute repairs, the property may still be subject to vandalism and deterioration while left unoccupied, and funds invested in repairs may never be recaptured when the property is eventually disposed of.

As an alternative to this situation, H.R. 2672 authorizes the VA to make additional loans to prospective purchasers for the purpose of restoring such properties to a habitable state. Funds would be released to the purchaser in increments, as rehabilitation progresses. It is believed that rehabilitation loans will be a good investment for the loan guaranty revolving fund; that they will make previously hard-to-sell properties more attractive and affordable to prospective buyers; and that they will help resolve some of the legitimate community concerns expressed over the maintenance of VA-owned properties.

VETERANS JOB TRAINING ACT

H.R. 2672 provides up to 25 percent discount on houses sold to organizations which agree to use veteran employees in a program of job training under the Veterans' Jobs Training Act to rehabilitate the properties, and who give preference to veterans in selling the rehabilitated property. In order to protect the interest of veterans whose foreclosed properties are disposed of in this manner, the liability of the former veteran home owner will be reduced commensurate with the discount given.

HOMELESS VETERANS

Through existing administrative procedures, several VA regional offices have been working with local groups to make vacant VA properties available, at reasonable prices, for use as shelters. H.R. 2672 encourages veterans organizations and political subdivisions to acquire hard-to-sell VA foreclosed properties in order to provide shelter to homeless veterans and their families. The VA is authorized to discount such properties, provided that the interests of the VA Home Loan Guaranty Program as a whole and the defaulting veteran are protected, that local zoning laws are respected, and that intended use of the property is compatible with the area where it is located. This will give legislative sanction to the concept of working with local groups to assist homeless veterans, and at the same time avoid adversarial situations between the VA and either the defaulting veteran or the community.

PROPERTY ACQUISITION GUIDELINES

The administration's budget request to the Congress submitted February 1,

1984, contained a proposal recommended by the Grace Commission that, effective March 1, 1984, the Veterans' Administration would no longer respond to defaults on VA guaranteed loans by acquiring foreclosed properties. Rather, following foreclosure, the VA would pay all lending institutions an amount equal to the VA's guaranty. The lending institutions would be required to dispose of the property.

At committee hearings in 1984, a Congressional Budget Office analyst indicated the major inefficiency in the VA Loan Guaranty Program's operation was that all loans under foreclosure and all real property available for sale by the VA were handled in a like manner.

The Deficit Reduction Act of 1984 required the VA to analyze defaulted loans on a case-by-case basis and to stop acquiring property where it would be less costly to pay the guaranty. It was the Congress' understanding that this practice benefited veterans as well as lenders by permitting the orderly disposal of the property securing a VA guaranteed loan. This restriction on the VA's authority is scheduled to expire September 30, 1987.

Mortgage bankers and others in the housing industry made strong representations at the hearings of April 22 and May 13, regarding the impact of high foreclosure rates on their businesses. Certain areas of the country such as Houston, TX, have been especially hard hit. Testimony expressed particular concern over the increased number of "no-bid" cases which have resulted.

H.R. 2672 extends the property acquisition guideline for 2 years until September 30, 1989, with some modification to the calculation which the VA makes when determining whether a property will be treated as a no-bid case. Under the new formula, interest resulting from exercise of lender forbearance at the VA's request, delays in the foreclosure process caused by the VA, or circumstances beyond the control of the VA and lender, such as bankruptcy, will not be calculated.

VA FINANCING ON VENDEE LOANS

Prior to 1984, the VA financed approximately 92 percent of all foreclosed properties. By offering financing on properties which it holds for sale, the VA is able to dispose of many properties in a timely manner at the appraised value. The Deficit Reduction Act of 1984 reduced the number of properties on which VA financing could be offered. Current law requires the VA to sell at least 60 percent but no more than 75 percent of its acquired properties with VA vendee financing. The VA routinely discounts cash sales at 10 percent or more. This provision is scheduled to expire on September 30. As part of the committee's efforts to meet its reconciliation target, these percentages will be

changed to a range of 50 to 65 percent for 3 years. It should be emphasized that while this proposal will temporarily produce a net reduction in outlays, it will cost the Government more in the outyears if a permanent change were authorized. The Veterans' Affairs Committee will continue to seek alternatives that will meet long-term program requirements.

HOME LOAN FUNDING FEE

H.R. 2672 extends the current 1 percent user fee for 2 years, to September 30, 1989. The committee wishes to emphasize that the VA Home Loan Guaranty Program is a veterans benefit, to which eligible persons are entitled. The committee will continue to examine alternatives to the loan origination fee.

H.R. 2672 also corrects an inequity in application of the user fee to a veteran who is also the surviving spouse of a deceased veteran whose death was service connected. A surviving spouse is exempt under current law, but due to a technicality the exemption does not apply in cases where the surviving spouse is also a veteran with eligibility in his or her own right.

AMERICAN SAMOA

Although a relatively high proportion of the population of American Samoa serves in the U.S. military, the loan guaranty benefit is not viable there due to the lack of a secondary mortgage market. H.R. 2672 authorizes a direct loan program up to \$33,000, to the extent that matching funds are made available by the Government of American Samoa. American Samoa already qualifies as an area where the Administrator is authorized to make direct loans, because it is difficult for veterans to obtain housing loans in this area.

DEMONSTRATION PROJECT FOR ADJUSTABLE RATE MORTGAGES

Volatile interest rates reduce housing activity. Interest rates have risen from 8½ percent to 10 percent this year. Therefore, H.R. 2672 authorizes the VA to establish a 2-year pilot program for adjustable rate mortgages [ARM] at one regional office. Interest rates for an adjustable rate mortgage are typically 1 percent to 2 percent lower than a fixed rate loan. The National Association of Homebuilders estimates that this results in a savings of as much as \$100 in monthly mortgage payments on a \$70,000 loan. The demonstration project is to be carried out in a manner similar to FHA's Adjustable Rate Mortgage Program, which allows interest rates to escalate no more than 1 percent per year with a cap of 5 percent over the life of the loan. In addition H.R. 2672 would require the Administrator to furnish the Congress with a report by December 31, 1989, containing a description of the results of this project and furnish

a report yearly thereafter with respect to the default rate.

LOAN PORTFOLIO SALES

Because of the high foreclosure rate over the past several years, and in conformance with administration efforts to reduce short term outlays, the VA has been pressured by the Office of Management and Budget to sell its loan portfolio. It has, however, usually sold these loans with recourse—repurchase agreements. In its fiscal year 1988 budget, the administration proposed another revision to its loan sales procedures which could seriously impair the long-term solvency of the loan guaranty revolving fund. This proposal would require the VA to sell all of its loans without repurchase agreements.

A proposed sale of the VA's loan portfolio without recourse resulted in offers ranging as low as 15 cents on the dollar. In September 1986, the General Accounting Office submitted a report to the Committee on Government Operations which stated that the Government's best interests will not be protected and the objectives of the Loan Asset Sales Pilot Program would not be achieved by sales without recourse. On June 16, the Committee on Government Operations approved and adopted a report entitled, "OMB's Guidelines for Sales of Existing Loans as Currently Written will not produce the best results for the Government." In its summary, it stated that the Government could lose millions of dollars because OMB's guidelines do not permit agencies to sell loans under any sales method other than nonrecourse. Therefore, it seemed appropriate that the bill as reported by the subcommittee simply require that the VA continue its existing policy in regard to loan sales. A year ago, this provision would have cost nothing.

However, without any consultation with this committee, OMB has changed its accounting procedures. The Congressional Budget Office has concurred. Under these new accounting rules, selling loans with recourse is treated as a borrowing from the public. Proceeds would then be credited to financing the debt rather than offsetting collections credited to the fund. On paper, therefore, the sales become losses.

Again, Mr. Speaker, I want to emphasize that before this exercise in account "sleight of hand", the provision had no cost impact whatsoever. So, if we do nothing, we "save" \$680 million; but if we try to force the VA to operate under good business principles, we make our reconciliation target unattainable. Therefore, H.R. 2672 contains a sense-of-the-Congress resolution regarding the financial management of the loan guaranty revolving fund.

In essence, it outlines how these new accounting procedures have had a significant effect and seriously limited the policymaking function of the Congress. In addition, it states that continued efforts to achieve short-term savings in the Veterans' Administration loan guaranty revolving fund are compromising the Administrator's ability to soundly manage the financing of the program, thereby jeopardizing its future. Lastly, it expresses the sense of the Congress that CBO ought to reverse its decision on accounting for loans sold with recourse by the Veterans' Administration; and that consistent with section 7 of the concurrent resolution on the budget for fiscal year 1988, any changes in the assets sales policy of the Veterans' Administration should not be considered in future budget resolutions as a means of achieving deficit reduction.

Mr. Speaker, during the course of our hearings on the VA Home Loan Guaranty Program, we heard from an exceptionally broad cross-section of witnesses, from government to business to community groups to veterans organizations. H.R. 2672 was developed specifically in response to the concerns and issues that were raised. I appreciate the many viewpoints that went into developing this bill, and believe that this is one of its great strengths.

Mr. Speaker, H.R. 2672 reaffirms that the VA Home Loan Guaranty Program is a veteran's benefit. The bill carefully preserves the program's basic intent, offers creative approaches to some of its present-day problems, and sets it on a sound footing for meeting veteran's future needs.

I wish to point out that these very important reforms won't cost our American taxpayers anything. Quite the reverse. This bill will save \$52 million in fiscal year 1988 and will help the committee meet its reconciliation targets.

I strongly urge the bill's favorable consideration.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in rising in strong support of this legislation which I am privileged to cosponsor, let me at the outset pay tribute to the gentleman from Texas, the acting Speaker of the House, Mr. LEATH, who is on leave from our Committee on Veterans' Affairs, a very valuable member of that committee.

The gentleman from Texas still performs great service to the American veteran by serving on the Committee on the Budget during the gentleman's leave of absence, and looking out for the adequate needs of our veterans, so we thank the gentleman for all that help.

The VA Home Loan Program was established in 1944 to provide a means for veterans to obtain credit for the

purchase of a home. Many of these veterans, because of the time spent in service to their country, had missed an opportunity to establish credit or save money for a downpayment on a house.

Since its inception, over 12 million veterans have used the VA Home Loan Program, and it has benefited veterans, homebuilders, and the national economy. For many men and women who serve in our country's Armed Forces, this is the only veterans' benefit they will ever use.

H.R. 2672 will strengthen the VA Home Loan Program's potential for serving veterans effectively and improve the long-term solvency of the loan guaranty revolving fund. I wish to mention two provisions in particular.

The first would change the loan guarantee to a maximum of 40 percent and \$40,000. This provision will make the program's guaranteed amounts more consistent with the values of the properties typically purchased.

The second would release veterans from liability after the sale of their homes and eliminate the unfairness to some veterans when later purchasers default on mortgages.

This housing reform legislation is indeed comprehensive. Ms. KAPTUR, the chairwoman of the Housing and Memorial Affairs Subcommittee, and Mr. BURTON, the subcommittee's ranking member, have put together a bill which will go a long way toward solving some of the problems in the VA's Home Loan Program.

We should also recognize the role played by Chairman MONTGOMERY, who once again provided the guidance and leadership needed to reach bipartisan agreement. His dedication and old-fashioned hard work on behalf of our Nation's veterans is outstanding.

Mr. Speaker, almost 20 percent of this country's population of 220 million people have their own homes thanks to the VA Home Loan Guarantee Program. This program has provided opportunities for home ownership, which is at the very heart of Americanism.

I strongly encourage all of my colleagues to support this significant bipartisan measure.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. Mr. Speaker, I thank the gentleman for yielding me this time.

As an original sponsor, I rise in strong support of H.R. 2672, and I am pleased we have moved forward with this comprehensive VA housing bill in such a timely manner.

This legislation reflects the continuing efforts by our committee to ensure that our Nation's veterans will be able to achieve the American dream of home ownership.

The chairwoman of the Housing and Memorial Affairs Subcommittee, MARCY KAPTUR, and the ranking member, DAN BURTON, have worked tirelessly in forwarding an initiative that will both make it easier for veterans to afford housing and strengthen the solvency of the VA Home Loan Program. Chairman SONNY MONTGOMERY and ranking member JERRY SOLOMON of the full committee should also be commended for their fine work on this major housing bill.

H.R. 2672 takes steps to address the concerns which have been raised about the solvency of the program. The bill also addresses the situation of veterans affected by the high foreclosure rate of today's market by providing relief for certain veterans whose default occurs through no fault of their own.

The bill contains as well a new underwriting requirement which prevents a veteran from being unfairly penalized because of the monetary misadventure of another party.

More than 12 million VA loans have been approved to date, thus demonstrating the popularity and viability of this program. Over 60 percent of all VA home loans are made with no down payment, something not generally possible with conventional loans. Were it not for this important VA program, many veterans and their families would not be in their homes today.

Clearly, the VA Home Loan Guarantee Program is one of the most successful and beneficial VA programs available to our Nation's veterans.

I urge my colleagues to support this comprehensive VA home loan legislation.

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, again, I want to commend the gentleman from Ohio [Ms. KAPTUR], distinguished chairwoman of the subcommittee, for the work she has done to bring this comprehensive housing bill before the House.

I also want to thank my good friend, the very able gentleman from New York [Mr. SOLOMON] for his leadership and cooperation. This bill, unanimously approved by our committee, again reflects the bipartisan way we handle veterans' affairs. I am fortunate to be able to work with the gentleman from New York.

I appreciate the work of all members of the subcommittee.

This is a good bill. It is the result of many hours of work on the part of a lot of our Members and I urge its adoption by the House.

Mr. BURTON of Indiana. Mr. Speaker, since the provisions of this bill have been thoroughly explained I can be brief. H.R. 2672 will benefit the many veterans who have participated

in the Home Loan Guaranty Program in addition to benefiting future users.

Even though the program enjoys a high degree of participation, we are also facing a high foreclosure rate. So, I hope that the particular sections of the bill such as the adjustment to the loan guaranty ceiling and the uniform guaranty amount will reduce the high foreclosure rate. I am confident that the Veterans' Housing Rehabilitation and Program Improvement Act of 1987 will be in the best interest of veterans.

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SOLOMON. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LEATH of Texas). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 2672, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1240

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on this bill, H.R. 2672, and on the next bill, H.R. 2957.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CEMETERY IMPROVEMENTS AMENDMENTS OF 1987

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2957) to provide for improvements in the National Cemetery System administered under title 38, United States Code, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2957

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. VETERANS' CEMETERIES OWNED BY STATES.

Section 1008(b) of title 38 United States Code, is amended—

- (1) by striking out clause (1); and
- (2) by redesignating clauses (2), (3), and (4) as clauses (1), (2), and (3), respectively.

SEC. 2. CONTRIBUTIONS FOR CERTAIN PROJECTS.

Section 1004(f) of title 38, United States Code, is amended—

- (1) by striking out "The" and inserting in lieu thereof "(1) The"; and
- (2) by adding the following new paragraph at the end:

"(2) The Administrator may, to the extent of appropriated funds available for such purpose, make contributions to local authorities for the construction of traffic controls, road improvements, or other devices on land adjacent to a national cemetery if the Administrator determines that such a contribution is necessary for safe ingress or egress to or from such cemetery."

SEC. 3. GRAVE LINERS.

(a) IN GENERAL.—Section 906 of title 38, United States Code, is amended—

- (1) by adding at the end the following new subsection:

"(e)(1) The Administrator may provide an approved grave liner for the interment of casketed remains in cemeteries within the National Cemetery System and in the Arlington National Cemetery.

"(2) The use of grave liners shall be in accordance with specifications and procedures approved by the Administrator."; and

- (2) by striking out the section heading and inserting in lieu thereof the following:

"§ 906. Headstones, markers, and grave liners".

(b) TECHNICAL AMENDMENT.—The item relating to section 906 in the table of sections at the beginning of chapter 23 of title 38, United States Code, is amended to read as follows:

"906. Headstones, markers, and grave liners."

SEC. 4. GRAVE MARKERS.

Section 1004(c)(2) of title 38, United States Code, is amended—

- (1) by striking out "and" at the end of clause (A);

(2) by striking out the period at the end of clause (B) and inserting in lieu thereof "; and"; and

- (3) by adding the following new clause at the end:

"(C) in the case of the gravesites of cremated remains that are interred in the ground, the Administrator may provide for flat grave markers."

SEC. 5. GRAVE MARKERS IN A CERTAIN LOCATIONS.

(a) ZABLOCKI VETERANS' ADMINISTRATION MEDICAL CENTER.—Notwithstanding section 1004(c)(2) of title 38, United States Code, the Administrator of Veterans' Affairs may provide for flat grave markers in the case of graves on land transferred to the Department of Memorial Affairs from the Department of Medicine and Surgery of the Veterans' Administration for expansion of a cemetery at the Clement A. Zablocki Veterans' Administration Medical Center in Milwaukee, Wisconsin.

(b) INDIANTOWN GAP, PENNSYLVANIA.—Notwithstanding section 1004(c)(2) of title 38, United States Code, the Administrator may provide for flat grave markers at the national cemetery at Indiantown Gap, Pennsylvania.

SEC. 6. AMERICAN BATTLE MONUMENTS COMMISSION FOREIGN CURRENCY FLUCTUATIONS.

(a) ESTABLISHMENT OF FOREIGN CURRENCY FLUCTUATIONS ACCOUNT.—The Act entitled "An Act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes", approved March 4, 1923 (36 U.S.C. 121), is amended by adding at the end the following new section:

"SEC. 13. (a) There is hereby established in the Treasury an account to be known as the 'Foreign Currency Fluctuations, American Battle Monuments Commission, Account'. The account shall be used to provide funds to appropriated funds available for

salaries and expenses of the American Battle Monuments Commission to eliminate losses because of fluctuations in currency exchange rates of foreign countries occurring after a budget request for the Commission is submitted to Congress. The account may not be used for any other purpose.

"(b) Funds provided to appropriations under subsection (a) shall be merged with and available for the same time period as the appropriation to which they are applied. A provision of law limiting the amount of funds the Commission may obligate in any fiscal year shall be increased to the extent necessary to reflect fluctuations in exchange rates from those used in preparing the budget submission.

"(c) An obligation of the Commission payable in the currency of a foreign country may be recorded as an obligation based upon exchange rates used in preparing a budget submission. A change reflecting fluctuations in exchange rate may be recorded as a disbursement is made.

"(d) Funds transferred from the Foreign Currency Fluctuations, American Battle Monuments Commission, Account may be transferred back to that account—

"(1) if the funds are not needed to pay obligations incurred because of fluctuations in currency exchange rates of foreign countries in the appropriation to which the funds were originally transferred; and

"(2) because of subsequent favorable fluctuations in the rates or because other funds are, or become, available to pay such obligations.

"(e) A transfer back to the account under subsection (d) may not be made after the end of the second fiscal year after the fiscal year that the appropriation to which the funds were originally transferred is available for obligation.

"(f) No later than the end of the second fiscal year following the fiscal year for which appropriations for salaries and expenses have been made available to the Commission, unobligated balances of such appropriation provided for a fiscal year may be transferred into the Foreign Currency Fluctuations, American Battle Monuments Commission, Account, to be merged with and available for the same period and purposes as that account.

"(g) The Secretary shall report to Congress each year on funds made available under this section."

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Foreign Currency Fluctuations, American Battle Monuments Commission, Account the sum of \$3,000,000.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to the fiscal year during which this Act is enacted and each subsequent fiscal year.

The SPEAKER pro tempore. Is a second demanded?

Mr. SOLOMON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from New York [Mr. SOLOMON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume. This bill (H.R. 2957) would provide for a number of improvements in the way the Veterans' Administration and the American Battle Monuments Commission administer their National Cemetery programs.

I yield such time as she may consume to the distinguished chairwoman of our Subcommittee on Housing and Memorial Affairs, the gentlewoman from Ohio [Ms. KAPTUR] for an explanation of the bill.

Ms. KAPTUR. Mr. Speaker, the bill H.R. 2957, entitled the Cemetery Improvements Amendments of 1987, authorizes a number of measures which will improve efficiency in the National Cemetery System and the American Battle Monuments Commission.

I would like to commend the chairman of the full Committee on Veterans' Affairs, G.V. (SONNY) MONTGOMERY, who has given us outstanding leadership on these important issues. I would also like to thank the ranking minority member of the full Committee, GERALD B.H. SOLOMON, and the ranking minority member of the Subcommittee on Housing and Memorial Affairs, DAN BURTON, for their excellent support. The individual members of the subcommittee have worked hard together to develop this very timely legislation, and I would like to thank each of them for their excellent contributions.

Mr. Speaker, the National Cemetery System was established in 1862, when President Abraham Lincoln assured an honorable burial for soldiers who died in service to their country. Today, 110 national cemeteries are located throughout the United States to serve veterans, their spouses, and dependent children. Over 50,000 interments are made in the national cemeteries each year.

Overseas, the American Battle Monuments Commission maintains 24 cemeteries for wartime casualties not repatriated to the United States, as well as 14 separate memorials to American military service abroad.

In order to enhance the effectiveness of national cemetery and American Battle Monuments Commission operations, H.R. 2957 contains the following provisions:

CURRENCY FLUCTUATION ACCOUNT FOR THE AMERICAN BATTLE MONUMENTS COMMISSION (ABMC)

The primary missions of the American Battle Monuments Commission are to commemorate the services of American military forces where they have served since the entry of this country into World War I (April 6, 1917); to build and maintain permanent U.S. military burial grounds on foreign soil; to control the design and construction of U.S. military monu-

ments overseas; and to encourage adequate maintenance of such memorials by their sponsors.

At the present time, ABMC operates 24 permanent American military cemeteries and 14 separate monuments in 11 foreign countries and the Commonwealth of the Northern Mariana Islands, as well as four memorials in the United States. The Commission is staffed by 387 full-time civilian employees and 6 military officers who serve on a reimbursable basis. Of the civilian employees, 337 are foreign nationals indigenous to the countries where ABMC installations are located.

At a hearing of the Subcommittee on Housing and Memorial Affairs on July 1, 1987, ABMC testified with regard to the impact of foreign currency exchange rates on their operations. From 1979 to 1984, when dollar exchange rates were appreciating in Europe, a surplus in funds appropriated developed. ABMC was able to utilize the surplus funds generated to replace worn out equipment, restore stocks of spare parts, and initiate maintenance projects that had previously been deferred because of lack of funds.

Late in 1985, however, the United States and certain allies took steps to reduce the value of the dollar, in order to make American goods more competitive. The resulting depreciation of the dollar severely impacted ABMC operations, as over 90 percent of its appropriation is expended overseas.

In fiscal year 1986, ABMC required a supplemental appropriation of \$1,553,000 to help offset losses associated with the weakened U.S. dollar. In fiscal year 1987, a supplemental appropriation of \$1,414,000 was requested for similar reasons. In the meantime, in order to cope with the situation, ABMC has taken measures in Europe and the Mediterranean to reduce certain labor costs; defer capital improvement projects; suspend nonemergency repair and replacement projects; and limit purchases of essential supplies. Even with these measures, ABMC testified at the hearing that an additional \$150,000 would be required by the end of the year to meet its obligations without furloughing employees, an action which would violate treaty agreements with most of the host countries.

In order to mitigate the adverse impact of declining dollar values on ABMC operations abroad, H.R. 2957 establishes a foreign currency fluctuation accounts, similar to those which have been set up for the State Department and the Department of Defense. The bill authorizes an appropriation of \$3 million for deposit in the account.

Using this type of account, transactions in foreign countries utilize the budgeted rate of exchange as the standard for obligations. If the ex-

change rate at the time of purchase is higher than the budgeted rate, the difference is deposited into the account. If, on the other hand, the exchange rate is lower, the necessary additional funds may be withdrawn from the account.

In response to questions at the hearing on July 1, 1987, ABMC advised the Subcommittee on Housing and Memorial Affairs that establishing the foreign currency fluctuation account will virtually eliminate the need for supplemental appropriations in the future.

INGRESS AND EGRESS

Mr. Speaker, the bill authorizes the VA to make contributions to local authorities for the construction of traffic controls, road improvements, or other devices, adjacent to national cemeteries if considered necessary for safe ingress and egress.

The VA Administration in a letter to the Speaker of the House of Representatives dated March 24, 1987, noted that:

It has become evident, in administering the national cemetery system, that specific statutory authorization is required in order to undertake the type of construction projects deemed necessary to improve safety conditions at the entrance to national cemeteries. Under current law, in the absence of express statutory authority, such requisite construction projects are generally prohibited as a result of the well-established rule which prohibits the Government's expenditure of appropriated funds for the permanent improvement of private property. Although exceptions to that rule have been recognized by the Comptroller General and have been applied by the Veterans Administration to justify a limited number of improvements to private property adjacent to national cemeteries, we believe a specific statutory authorization under which this Agency could assist localities in constructing such needed improvements would be a more satisfactory means of achieving these results. The proposed legislation, in our opinion, addresses and resolves these concerns.

TECHNICAL AMENDMENT TO STATE CEMETERY GRANT STATUTE

Section 1008(1) currently provides that no State may receive grants in any fiscal year in a total amount greater than 20 percent of the total amount appropriated program-wide for that fiscal year. The purpose of the original language was to prevent any one State from receiving a disproportionate share of Federal funds under the VA's cemetery grant program, to the disadvantage of other State(s).

In practice, after nearly 8 years of experience with this program, it has become apparent that this restriction is unnecessary, and may lead to unintended results. The VA Administrator, in a letter to the Speaker of the House of Representatives dated March 9, 1987, illustrates the potential negative impact of section 1008(b)(1) as follows:

For example, if \$3 million were available in the third year of an appropriation and

three States each requested \$1 million in Federal assistance, no grant could be made because of the 20 percent limitation in the statute: i.e., each State would be requesting more than 20 percent of the total amount appropriated programwide. Moreover, the entire \$3 million would then lapse despite the seeming adequacy of the appropriation to fund all three requests.

There has been no situation to date, and none is anticipated, in which the original concerns leading to the 20 percent limitation could have occurred. Repeal of section 1008(b)(1) will avoid the unintended results described above. This action will enable the VA to deal more efficiently and equitably with carryover funds, and will enhance program flexibility while maintaining program goals.

GRAVEMARKERS AT WOOD NATIONAL CEMETERY, MILWAUKEE, WISCONSIN, AND INDIANTOWN GAP NATIONAL CEMETERY, PENNSYLVANIA

Mr. Speaker, H.R. 2957 would exempt a newly acquired portion of the Wood National Cemetery from the statute which mandates upright gravemarkers in national cemeteries.

In 1985, the Veterans' Administration administratively transferred approximately 12 acres of land from the medical center to the national cemetery for expansion purposes. Without this additional land, the cemetery would have closed in 1987.

There was a specific agreement at the time of the transfer that gravemarkers in the new burial section would be flat. This condition was stipulated by the medical center director because the property is an integral part of the facility grounds.

Subsequent to this agreement, Congress in October 1986 amended 38 U.S.C. 1004 to mandate upright gravemarkers for interments in national cemeteries starting January 1, 1987.

H.R. 2957 would also permit the VA to continue using flat gravemarkers at the Indiantown Gap National Cemetery, Pennsylvania and in garden niches, 3 x 3 plots used for the interment of cremated remains.

Congressional intent was that the upright gravemarkers provisions would apply to in-ground burial of casketed remains, not to burial of cremated remains in garden niches. In order to clarify this point, legislative authority is provided to the VA for using flat gravemarkers for burial of cremated remains that are interred in the ground.

GRAVELINERS

Mr. Speaker, as the ground settles over a grave, sinkage occurs about 10 times over a 20-year period after an interment is made. In each case, the resulting depression must be filled in order to maintain an acceptable standard of cemetery appearance. Graveliners are rigid outer containers, typically made of concrete, which enclose the casket in order to prevent this type of sinkage, and thus reduce overall maintenance costs.

Although the VA experience with graveliners was very successful and they were used at 30 of the 57 national cemeteries which were open, fiscal restraints forced the agency to cut back substantially on the graveliner program in 1980, although there are still provided at three of the large new regional cemeteries—Calverton, Riverside and Massachusetts.

The VA testified that graveliners are used in national cemeteries for four basic reasons: First, to reduce maintenance requirements by preventing the ground from sinking over a collapsing casket; second, to prevent headstones from sinking and tilting; third, to reduce falls and other accidents to employees and visitors when walking over uneven ground; and fourth, to assure that cemetery appearance meets the high standard expected by the public. The VA further testified that graveliners are most efficient when gravesites are being used for the first time, and all burials in a section would have graveliners.

Graveliners are highly cost effective when used in these types of circumstances. In the interests of long-term efficiency, and especially in view of the anticipated increase in burials over the next 20 years, the VA Administrator is authorized to provide graveliners in VA national cemeteries and Arlington National Cemetery.

The Congressional Budget Office has estimated a cost of \$7 million for the first year of this bill, including \$3 million to start the ABMC currency fluctuation account and \$4 million for graveliners in national cemeteries. The provisions of H.R. 2957 will lead to more efficient operations for these programs, and should result in long-range savings.

Again, Mr. Speaker, these provisions are going to help us operate American Battle Monuments Commission and national cemeteries more effectively, and assure that the appearance of these beautiful shrines is maintained at a level which the public very rightly expects. I urge favorable consideration of this bill.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2957, which would enhance our National Cemetery System by authorizing the Veterans' Administration to contribute funding to communities for local traffic controls and road improvements to provide for safer ingress and egress.

In addition it would permit the use of flat grave markers at two national cemeteries: one at Wood, Milwaukee, WI, the other at Indiantown Gap, PA. It would also permit the use of flat grave markers at gravesites for the interment of cremated remains in areas within the cemetery known as "garden niches."

This bill would also obviate the need for supplemental appropriations to remedy the foreign currency exchange rate problem being experienced by the American Battle Monuments Commission. To accomplish this, H.R. 2957 contains a provision to establish for ABMC's use a foreign currency fluctuation account, similar to those which have been set up for the Departments of State and Defense.

Another feature of this bill would provide for the use of graveliners at national cemeteries. This would be highly beneficial, due to the fact that they are cost-effective while at the same time, they improve grave sites.

Current law provides that no more than 20 percent of appropriated funds for any given year may be spent in any one State for State cemeteries. This provision was intended to ensure that no State would receive more than its fair share of funding. The provision has proved unnecessary and counterproductive. Enactment of H.R. 2957 would repeal this restriction and enable better operations.

Mr. Speaker, I wish to commend my good friend and chairman of the Veterans' Affairs Committee, the gentleman from Mississippi, Mr. SONNY MONTGOMERY, for his expeditious handling of this measure.

In addition, I want to recognize the gentlewoman from Ohio, Ms. MARCY KAPTUR, chairwoman of the Subcommittee on Housing and Memorial Affairs, and the ranking member, the gentleman from Indiana [Mr. BURTON], for their efforts in moving this legislation to the floor.

Mr. Speaker, I urge my colleagues to vote in favor of this bill.

Mr. Speaker, I yield such time as he may consume to the former ranking member, the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of H.R. 2957, which would make certain improvements in the National Cemetery System and would enable the American Battle Monuments Commission to operate more efficiently.

As has been noted, the basic provisions of H.R. 2957 would improve operation of the National Cemetery System, and I wholeheartedly endorse them.

The American Battle Monuments Commission [ABMC] whose mission involves the operation of facilities in foreign countries, must be able to conduct its operations in an efficient manner, but is hampered financially by falling exchange rates for the dollar. The provision contained in this measure would ensure the ABMC's ability to keep up its operations by establishing a foreign currency fluctuations account for it. Setting up this type of account would preclude the ne-

cessity for supplemental appropriations.

Mr. Speaker, I wish to commend the gentlewoman from Ohio [Ms. KAPTUR], the chairwoman of the Subcommittee on Housing and Memorial Affairs, and the gentleman from Indiana [Mr. BURTON], the ranking member of the subcommittee, both of whom worked diligently to bring this bill to the floor for consideration.

In addition, Mr. Speaker, I wish to thank my good friend, the gentleman from Mississippi, Chairman SONNY MONTGOMERY, and the ranking member, the gentleman from New York, Mr. JERRY SOLOMAN, for their continued dedication and support for the needs of our Nation's veterans.

Mr. Speaker, I recommend H.R. 2957 to my colleagues. It deserves the support of every Member of this body.

Mr. SOLOMON. Mr. Speaker, I yield whatever time he might consume to the gentleman from New York [Mr. GILMAN], a strong supporter of our veterans.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

I want to commend the chairman of the Veterans' Affairs Committee, the gentleman from Mississippi [Mr. MONTGOMERY], and the chairman of the subcommittee, the gentlewoman from Ohio [Ms. KAPTUR], and the ranking minority member, the gentleman from New York [Mr. SOLOMON], for bringing both of these measures to the floor at this time, measures that will certainly help our veterans, particularly the Cemetery Improvement Amendments of 1987. They go a long way toward providing proper access, providing the kind of monuments and the kind of funding that is needed for our foreign cemeteries. Too often we neglect those who have given so much for our Nation. It certainly is commendable to see these kinds of measures come before us at this time to remember those who gave of themselves for our Nation.

It is for that reason, Mr. Speaker, that I urge my colleagues to join with us in full support of both of these measures.

Mr. Speaker, I rise in strong support of two measures brought before us today, H.R. 2672, the VA Home Rehabilitation and Programs Improvement Act of 1987, and H.R. 2957, to enhance the VA National Cemetery Program. I commend the distinguished chairman of our Veterans' Affairs Committee, the gentleman from Mississippi [Mr. MONTGOMERY], the gentlewoman from Ohio [Ms. KAPTUR], and the ranking minority member, the gentleman from New York [Mr. SOLOMON], for their leadership on the committee and for bringing these worthy bills to the floor today.

H.R. 2672 changes the formula for calculating the maximum VA home-loan guaranty from 60 percent of the total loan up to a total of \$27,000 to 40 percent of the total loan up to \$40,000 for conventional homes. The original cap has failed to keep pace with the general

rise in housing prices, consequently, failing to provide the protection envisioned for the average lender. The higher limit and lower percentage also curtails unnecessary risks to the borrower and revolving fund while continuing to provide lenders better credit protection than is currently available under conventional loans.

Furthermore, H.R. 2672 allows the VA to sell properties acquired through default for less than fair market value if the purchaser agrees to rehabilitate the property hiring veterans under the Veterans Job Training Act and to give priority to veterans when reselling the property. The bill also permits the VA to reduce the sale price of suitable foreclosure properties to approved organizations or State and local governments if the property is to be used as a shelter for homeless veterans and their families.

H.R. 2957 repeals the 20-percent cap on the amount of total appropriated funds a State may receive in any fiscal year from the VA State Cemetery Grant Program, and authorizes the VA to hire local authorities to improve lands surrounding national cemeteries to ensure safe entrance and departure, furnish graveliners for casket burial plots in VA cemeteries, and use flat grave markers in certain instances. H.R. 2957 also authorizes \$3 million for the American Battle Monuments Commission [ABMC] to help offset fluctuations in exchange rates overseas.

Mr. Speaker, the veterans of this Nation encounter many of the problems faced by us all: unemployment, inflation, homelessness, and crime. These two bills address these barriers and others. Accordingly, I urge my colleagues to join in support of H.R. 2672, the VA Home Rehabilitation and Programs Improvement Act, and H.R. 2957, to enhance the VA national cemetery system.

Mr. SOLOMON. Mr. Speaker, I yield whatever time he might consume to the gentleman from Pennsylvania [Mr. WALKER], who gave us input on the Indiantown Gap Cemetery.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

I rise simply to thank the committee for being as responsive as they have been to the situation at the Indiantown Gap Military Cemetery.

The chairman of the subcommittee, the gentlewoman from Ohio, and the gentleman from Mississippi, the chairman of the full committee, and the ranking member of the committee, the gentleman from New York [Mr. SOLOMON], were all very responsive to this problem and it is much appreciated.

We have a situation there where we have a new cemetery. It is a cemetery which is developing, which is going to be an absolutely beautiful cemetery for the next many decades of this century.

With the action that the committee has taken here, I think we can assure that the original architectural plan will continue to be pursued and we will have a monument there to our veterans that we can all be very proud of.

So, Mr. Speaker, I thank the committee for their response in this

matter and I am pleased to rise in support of this bill.

Mr. SOLOMON. Mr. Speaker, I again compliment the committee chairman and the chairman of the subcommittee.

Mr. MONTGOMERY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I would like to thank the gentlewoman from Ohio, Ms. KAPTUR, again for the hard work she has done on this legislation, and to the gentleman from New York, Mr. SOLOMON, the ranking minority member, and the gentleman from Arkansas, Mr. HAMMERSCHMIDT, for his total support, and to the gentleman from New York, Mr. BEN GILMAN, always helpful on veterans programs, and to the gentleman from Pennsylvania, Mr. BOB WALKER, to come to our committee and present this problem. We are very glad that we are able to help the gentleman from Pennsylvania, Mr. WALKER.

Mr. Speaker, I would like to say that we are very proud of these national cemeteries. They are around the world. They are in this country. They are overseas.

Recently we went to Corregidor in the Philippines. While we were there, we did visit the national cemetery where 17,000 Americans are buried.

I would hope as our colleagues travel around the country and around the world that they would visit these great cemeteries. That is the least we can do is honor those who gave the supreme sacrifice and gave their lives. We were impressed with what we saw. The cemeteries are well maintained and we can all be proud of the way our Nation honors those individuals buried there who died defending freedom.

This bill will assure that the standard of care given our national cemeteries in this country and throughout the world will be maintained in the years to come. I urge the adoption of the bill.

Mr. BURTON of Indiana. Mr. Speaker, since the provisions of this bill have been thoroughly explained I can be brief. This memorial affairs bill will enhance our National Cemetery System.

VA national cemetery usage is expected to rise as our veteran population ages. I endorse the use of flat markers at the Wood, WI, Cemetery and grave liners at VA national cemeteries to improve the appearance and ease the burden of care for our cemetery caretakers. I also support plans to work with local officials to facilitate plans for the ingress and egress of veterans cemeteries. This will ease visitation and improve the safety of all local traffic.

Overseas, the Battle Monuments Commission has been forced to deal with budgeting problems beyond its control, caused by currency fluctuations. I support the establishment of a fund that would enable them to offset currency changes. This would not cost the Federal any money and in the long run would

improve the efficiency of the Battle Monuments Commission.

Mr. SOLOMON. Mr. Speaker, I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 2957, as amended.

The question was taken.

Mr. SOLOMON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule 1, and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1255

COMMODITY DISTRIBUTION REFORM ACT OF 1987

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1340) to improve the administration of the Department of Agriculture commodity distribution activities, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1340

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE: STATEMENT OF PURPOSE.

(a) SHORT TITLE.—This Act may be cited as the "Commodity Distribution Reform Act of 1987".

(b) STATEMENT OF PURPOSE.—It is the purpose of this Act to improve the manner in which agricultural commodities acquired by the Department of Agriculture are distributed to recipient agencies, the quality of the commodities that are distributed, and the degree to which such distribution responds to the needs of the recipient agencies.

SEC. 2. COMMODITY DISTRIBUTION PROGRAM REFORMS.

(a) COMMODITIES SPECIFICATIONS.—

(1) DEVELOPMENT.—In developing specifications for commodities acquired through price support, surplus removal, and direct purchase programs of the Department of Agriculture that are donated for use for programs or institutions described in paragraph (2), the Secretary shall—

(A) consult with the advisory council established under paragraph (3);

(B) consider—

(i) the results of the survey conducted under section 3; and

(ii) information received from the field testing program developed under subsection (g); and

(C) require that entitlement commodities and their products be—

(i) of the quality, size, and form determined by the advisory council established under paragraph (3), after consultation with recipient agencies, to be most usable by such agencies; and

(ii) to the extent practicable, consistent with dietary guidelines published by the Secretary of Agriculture and the Secretary of Health and Human Services.

(2) APPLICABILITY.—Paragraph (1) shall apply to agricultural commodities and their products that are donated for use—

(A) for programs carried out under the National School Lunch Act (42 U.S.C. 1751 et seq.), the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), or title III of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq.);

(B) under section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) for the commodity supplemental food program, the food distribution program on Indian reservations, charitable institutions, summer camps; or

(C) under section 202 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) for the temporary emergency food assistance program.

(3) ADVISORY COUNCIL.—(A) The Secretary shall establish an advisory council on the distribution of donated commodities to recipient agencies. The Secretary shall appoint not less than nine and not more than 15 members to the council, including—

(i) representatives of recipient agencies;

(ii) representatives of food processors and food distributors;

(iii) representatives of agricultural organizations; and

(iv) one representative of State distribution agency directors.

(B) The council shall meet not less than semiannually with appropriate officials of the Department of Agriculture and shall provide guidance to the Secretary on regulations and policy development with respect to specifications for commodities.

(C) Members of the council shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by them in the performance of the duties of the committee.

(D) The council shall report annually to the Secretary of Agriculture, the Committee on Education and Labor and the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(E) The council shall expire on September 30, 1992.

(b) DUTIES OF SECRETARY WITH RESPECT TO PROVISION OF COMMODITIES.—With respect to the provision of commodities to recipient agencies, the Secretary shall—

(1) before the end of the 180-day period beginning on the date of the enactment of this Act—

(A) implement a system to provide recipient agencies with options with respect to package sizes and forms of such commodities, based on information received from such agencies under subsection (f)(2);

(B) implement procedures to monitor the manner in which State distribution agencies carry out their responsibilities; and

(C) after considering national standards and industry charges, including State and regional differences in such charges, establish mandatory criteria to be used by State distribution agencies when fees are charged to recipient agencies for storage and delivery of commodities;

(2) provide technical assistance to recipient agencies on the use of such commodities, including handling, storage, and menu planning, and shall distribute suggested recipes that are, to the extent practicable, consistent with the dietary guidelines described in subsection (a)(1)(C)(ii);

(3) before the end of the 90-day period beginning on the date of the enactment of this Act, implement a system for the dissemination to recipient agencies and to State distribution agencies of summaries of specifications with respect to such commodities, including nutrient content information, in a

form suitable for use by such State agencies and recipient agencies, including information with respect to the amounts of fat, sugar, and salt contained in such commodities;

(4) implement a system for the dissemination to recipient agencies and to State distribution agencies, not less than 60 days before each distribution of commodities by the Secretary is scheduled to begin, of information relating to the types and quantities of such commodities that are to be distributed;

(5) before the expiration of the 90-day period beginning on the date of the enactment of this Act, establish procedures for the replacement of commodities received by recipient agencies that are stale, spoiled, out of condition, or not in compliance with the specifications developed under subsection (a)(1), including a requirement that the appropriate State distribution agency be notified promptly of the receipt of commodities that are stale, spoiled, out of condition, or not in compliance with the specifications developed under subsection (a)(1);

(6) monitor the condition of commodities designated for donation to recipient agencies that are begin stored by or for the Secretary to ensure that the highest quality is maintained;

(7) establish for each entitlement commodity that is donated to a recipient agency a value which shall be used by the appropriate State distribution agency in determining the extent to which donations of such commodities and food products fulfill applicable requirements established by the National School Lunch Act (42 U.S.C. 1715 et seq.), the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), and title III of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq.); and

(8) require that each State distribution agency shall receive donated commodities not more than 90 days after such commodities are ordered by such agency, unless such agency specifies a longer delivery period.

(c) QUALIFICATIONS FOR PURCHASE OF COMMODITIES.—

(1) OFFERS FOR EQUAL OR LESS POUNDAGE.—Subject to compliance by the Secretary of Agriculture with surplus removal responsibilities under other provisions of law, the Secretary may not refuse any offer in response to an invitation to bid with respect to a contract for the purchase of entitlement commodities solely on the basis that such offer provides less than the total amount of poundage for a destination specified in such invitation.

(2) OTHER QUALIFICATIONS.—The Secretary may not enter into a contract for the purchase of entitlement commodities unless—

(A) the Secretary considers the previous history and current patterns of the bidding party with respect to compliance with applicable meat inspection laws and with other appropriate standards relating to the wholesomeness of food for human consumption; and

(B) Subject to compliance by the Secretary of Agriculture with surplus removal responsibilities under other provisions of law and except in the event of a situation that the Secretary determines to be an emergency, the contract provides for delivery terms free on board destination.

(d) DUTIES OF STATE DISTRIBUTION AGENCIES.—Before the expiration of the 90-day period beginning on the date of the enactment of this Act, the Secretary shall by regulation require each State distribution agency to—

(1) evaluate its warehousing and distribution systems for donated commodities;

(2) implement the most cost-effective and efficient system for providing warehousing and distribution services to recipient agencies;

(3) utilize normal channels of trade for providing the services described in paragraph (2) unless—

(A) the agency submits an alternative plan to the Secretary; and

(B) the Secretary approves such plan;

(4) use delivery methods other than rail siding delivery of donated commodities to recipient agencies unless each such delivery is—

(A) solely for one recipient agency; or

(B) for two or more recipient agencies, if all of such agencies use the same warehouse facility;

(5) consider the preparation and storage capabilities of recipient agencies when ordering donated commodities, including capabilities of such agencies to handle commodity product forms, quality, packaging, and quantities; and

(6) in the case of any such agency that enters into a contract with respect to processing of agricultural commodities and their products for recipient agencies—

(A) test the product of such processing with the recipient agencies before entering into a contract for such processing; and

(B) develop a system for monitoring product acceptability.

(e) REGULATIONS.—

(1) IN GENERAL.—The Secretary shall provide by regulation for—

(A) mandatory criteria, based on national standards and industry charges (taking into account State and regional differences in such charges), to be used by State distribution agencies when fees are charged to recipient agencies;

(B) minimum performance standards to be followed by State distribution agencies;

(C) procedures for allocating donated commodities among the States;

(D) delivery schedules for donated commodities that are consistent with the needs of recipient agencies; and

(E) criteria for intrastate distribution of donated commodities (relating to such matters as timeliness of deliveries, advance notice of delivery, and frequency of such distributions).

(2) TIME FOR PROMULGATION OF REGULATIONS.—The Secretary shall promulgate—

(A) interim regulations for the implementation of paragraph (1)(E) to take effect before the end of the 30-day period beginning on the date of the enactment of this Act;

(B) regulations as required by paragraph (1)(D) before the end of the 90-day period beginning on such date; and

(C) regulations as required by subparagraph (A), (B), (C), and (E) of paragraph (1) before the end of the 180-day period beginning on such date.

(f) REVIEW OF PROVISION OF COMMITTEE.—

(1) IN GENERAL.—Before the expiration of the 180-day period beginning on the date of the enactment of this Act, the Secretary shall establish procedures to provide for systematic review of the costs and benefits of providing commodities of the kind and quantity that are suitable to the needs of recipient agencies.

(2) INFORMATION FROM RECIPIENT AGENCIES.—Before the expiration of the 120-day period beginning on the date of the enactment of this Act, the Secretary shall establish procedures to ensure that information

is received from recipient agencies not less than once every three months with respect to the types and forms of commodities that are most useful to persons participating in programs operated by recipient agencies.

(g) FIELD TESTING PROGRAM.—The Secretary shall, before the end of the 90-day period beginning on the date of the enactment of this Act—

(1) develop and implement an ongoing field testing program, for existing and anticipated acquisitions of agricultural commodities and their products, to determine their acceptability with persons participating in programs operated by recipient agencies; and

(2) consider the results of the field testing program described in paragraph (1) when deciding the type and form of agricultural commodities and food products to be donated for use by such recipient agencies.

(h) BUY AMERICAN PROVISION.—

(1) IN GENERAL.—The Secretary shall require that recipient agencies purchase only food products that are produced in the United States.

(2) WAIVER.—The Secretary may waive the requirement established in paragraph (1)—

(A) in the case of recipient agencies that have unusual or ethnic preferences in food products; or

(B) for such other circumstances as the Secretary considers appropriate.

(3) EXCEPTION.—The requirement established in paragraph (1) shall not apply to recipient agencies in Alaska, Hawaii, Guam, American Samoa, Puerto Rico, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands.

(i) UNIFORM INTERPRETATION OF POLICIES AND REGULATIONS.—The Secretary shall ensure that policies and regulations of the Department of Agriculture with respect to donated commodities are interpreted in a consistent manner by regional offices of the Department.

(k) PER MEAL VALUE OF DONATED FOODS.—Section 6(e) of the National School Lunch Act (42 U.S.C. 1755(e)) is amended by—

(1) inserting "(1)" after the subsection designation; and

(2) adding at the end the following new paragraph:

"(2) Each State agency shall offer to each school food authority under its jurisdiction that participates in the school lunch program and receives commodities, agricultural commodities and their products, the per meal value of which is not less than the national average value of donated foods established under paragraph (1). Each such offer shall include the full range of such commodities and products that are available from the Secretary to the extent that quantities requested are sufficient to allow efficient delivery to and within the State."

(l) REPORT REQUIREMENTS.—

(1) IN GENERAL.—The Secretary shall annually submit to the Committee on Education and Labor and the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the implementation and operation of this section.

(2) DEADLINE FOR REPORT.—The Secretary shall submit the first report under paragraph (1) before the expiration of the 1-year period beginning on the date of the enactment of this Act.

(m) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this section, this section shall take effect on October 1, 1987.

(2) OTHER EFFECTIVE DATES.—(A) subsections (b)(6), (b)(7), (b)(8), (h)(1), and (i) shall take effect on the date of the enactment of this Act.

(B) Subsection (c) shall take effect upon the expiration of the 180-day period beginning on the date of the enactment of this Act.

SEC. 3. SURVEY OF RECIPIENT AGENCIES.

(a) SURVEY.—The Secretary shall conduct a survey of recipient agencies to determine which package sizes and forms of food products are commonly purchased locally by such agencies with their own funds.

(b) REPORT TO CONGRESS.—The Secretary shall submit to the Committee on Education and Labor and the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the survey conducted under subsection (a) before the expiration of the 90-day period beginning on the date of the enactment of this Act.

SEC. 4. FOOD BANK DEMONSTRATION PROJECT.

(a) DEMONSTRATION PROJECT.—The Secretary of Agriculture shall carry out no less than one demonstration project to provide and redistribute agricultural commodities and food products thereof as authorized under section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), to needy individuals and families throughout community food banks. The Secretary may use a State agency or any other food distribution system for such provision or redistribution of section 32 agricultural commodities and food products through community food banks under a demonstration project.

(b) RECORDKEEPING AND MONITORING.—Each food bank participating in the demonstration projects under this section shall establish a recordkeeping system and internal procedures to monitor the use of agricultural commodities and food products provided under this section. The Secretary shall develop standards by which the feasibility and effectiveness of the projects shall be measured, and shall conduct an ongoing review of the effectiveness of the projects.

(c) DETERMINATION OF QUANTITIES, VARIETIES, AND TYPES OF COMMODITIES.—The Secretary shall determine the quantities, varieties, and types of agricultural commodities and food products to be made available under this section.

(d) EFFECTIVE PERIOD.—This section shall be effective for the period beginning on the date of enactment of this Act and ending on December 31, 1990.

(e) PROGRESS REPORTS.—The Secretary shall submit annual progress reports to Congress beginning on July 1, 1988, and a final report on July 1, 1990, regarding each demonstration project carried out under this section. Such reports shall include analyses and evaluations of the provision and redistribution of agricultural commodities and food products under the demonstration projects. In addition, the Secretary shall include in the final report any recommendations regarding improvements in the provision and redistribution of agricultural commodities and food products to community food banks and the feasibility of expanding such method of provisions and redistribution of agricultural commodities and food products to other community food banks.

SEC. 5. LIMITED EXTENSION OF ALTERNATIVE MEANS OF ASSISTANCE UNDER THE SCHOOL LUNCH PROGRAM.

Section 18 of the National School Lunch Act (42 U.S.C. 1769) is amended by adding at the end of the following new subsection: "(e)(1) Upon request to the Secretary, any school district that on January 1, 1987, was receiving all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program shall receive all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program for each school year ending before July 1, 1992.

"(2) Any school district that elects under paragraph (1) to receive all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program shall receive bonus commodities in the same manner as if such school district was receiving all entitlement commodities for its school lunch program."

SEC. 6. EXTENSION OF NATIONAL DONATED COMMODITY PROCESSING PROGRAMS.

(a) Subparagraph (A) of section 1114(a)(2) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431(a)(2)) is amended by striking out "June 30, 1987," and inserting in lieu thereof "June 30, 1992."

(b) Section 4404 of the Child Nutrition Amendments of 1986 (Public Law 99-661) and section 364 of the School Lunch and Child Nutrition Amendments of 1986 (Public Law 99-591) are each amended by inserting after "the Agriculture and Food Act of 1981 (7 U.S.C. 1431(a)(2))" the following: "and effective through June 30, 1992."

SEC. 7. ASSESSMENT AND REPORT TO CONGRESS.

(a) **ASSESSMENT.**—The Comptroller General of the United States shall monitor and assess the implementation by the Secretary of Agriculture of the provisions of this Act.

(b) **REPORT.**—Before the expiration of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit to the Committee on Education and Labor and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report of the findings of the assessment conducted as required by subsection (a).

SEC. 8. DEFINITIONS.

For purposes of this Act:

(1) The term "donated commodities" means agricultural commodities and their products that are donated by the Secretary to recipient agencies.

(2) The term "entitlement commodities" means agricultural commodities and their products that are donated and charged by the Secretary against entitlements established under programs authorized by statute to receive such commodities.

(3) The term "recipient agency" means—

(A) a school, school food service authority, or other agency authorized under the National School Lunch Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to operate breakfast programs, lunch programs, child care programs, summer food programs, or similar programs and to receive donations of agricultural commodities and their products acquired by the Secretary through price support, surplus removal, or direct purchase;

(B) a nutrition program for the elderly authorized under title III of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq.) to receive donations of agricultural commodities and their products acquired by the Sec-

retary through price support, surplus removal, or direct purchase;

(C) an agency or organization distributing commodities under the commodity supplemental food program established in section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note);

(D) any charitable institution, summer camp, or assistance agency for the food distribution program on Indian reservations authorized under section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) to receive donations of agricultural commodities and their products acquired by the Secretary through price support, surplus removal, or direct purchase; or

(E) an agency or organization distributing commodities under a program established in section 202 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note).

(4) The term "State distribution agency" means a State agency responsible for the intrastate distribution of donated commodities.

(6) The term "Secretary" means Secretary of Agriculture.

The **SPEAKER pro tempore** (Mr. LEATH of Texas). Is a second demanded?

Mr. **EMERSON**. Mr. Speaker, I demand a second.

The **SPEAKER pro tempore**. Without objection, a second will be considered as ordered.

There was no objection.

The **SPEAKER pro tempore**. The gentleman from Texas [Mr. DE LA GARZA] will be recognized for 20 minutes and the gentleman from Missouri [Mr. EMERSON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1340, the Commodity Distribution Reform Act of 1987. This legislation is designed to improve the distribution and quality of agricultural commodities acquired by the U.S. Department of Agriculture and more adequately respond to the needs of recipient agencies.

This legislation is a compromise of H.R. 1340 as reported by the Committee on Agriculture on July 13 and H.R. 2496, the School Lunch Child Nutrition and Older Americans Commodity Program Improvement Act of 1987 and is the product of numerous consultations between Subcommittee Chairman LEON PANETTA of the Domestic Marketing, Consumer Relations and Nutrition Subcommittee and members of the Committee on Education and Labor and our respective committee staffs.

Agricultural commodities are donated to food assistance agencies by the U.S. Department of Agriculture under two authorities, section 416 of the Agricultural Act of 1949 and section 32 of the act of August 24, 1935. Acquisition of price support and surplus removal commodities have helped stabilize the agricultural economy over the years and have provided numerous health benefits to children, the elderly and our low-income needy through provision of nutritious foods to food assistance agencies throughout the country.

The committee is aware that there have been problems associated with the Department's donation of agricultural commodities and commends recent actions by the Department of Agriculture to attempt to correct problems of timely distribution and respond more effectively to recipient agency needs. These efforts have also been recognized in a resolution adopted last week by the American School Food Service Association noting that "the Department of Agriculture has responded in an extremely constructive manner" to recommendations for improvements in the commodity distribution programs filed by the association and the National Frozen Food Association.

The compromise bill before us today provides a statutory base for these and additional improvements in the Department's donation programs.

In arriving at final compromise language providing these improvements, however, the Committee on Agriculture has been diligent in ensuring that the purpose of the commodity distribution programs—removing surplus agricultural commodities from the market and providing nutritious food to food assistance agencies—be maintained. Further, the committee worked hard to make certain that nothing in the bill would impair in any way the ability of the Secretary of Agriculture to acquire agricultural commodities through either the price support or surplus removal programs of the Department.

In this regard, two provisions in the bill as passed by the Committee on Education and Labor of deepest concern to our committee have been corrected to our satisfaction by the amendment offered to the bill on the floor today. First, section 2(a)(1) of the bill has been changed to apply the development of commodity specifications only to those commodities which already have been acquired by the Secretary of Agriculture through the price support, surplus removal and direct purchase programs of the Department. Second, section 2(c)(1) and section 2(c)(2)(B) have been changed to require that qualifications for purchase of commodities are subject to compliance with the surplus removal responsibilities of the Secretary of Agriculture.

Section 2(b)(4) of the bill requires that the Secretary of Agriculture provide recipient agencies information as to the types and quantities of commodities they are to receive not less than 60 days before each distribution. The Committee on Education and Labor has agreed that many times in surplus removal operations, in order to respond to a volatile marketplace, the Secretary must engage in surplus removal activities quickly. Thus, the committee report language specifies that the 60-day notification should be carried out to the maximum extent feasible. The Committee on Agriculture, however, does understand the need to notify recipient agencies as soon as possible when commodities are to be distributed and agrees that this requirement should be the exception rather than the rule.

Section 2(j) of the compromise bill mandates that entitlement commodities provided under the school lunch and elderly feeding programs shall be provided to recipient agencies without charge or credit if such commod-

ities do not contribute to established meal pattern guidelines. The Committee on Agriculture is concerned that the Secretary may not acquire an entitlement commodity if such commodity cannot be charged against the entitlement purchase. The floor amendment strikes this provision and the concerns of the committees will be addressed in a subsequent colloquy.

H.R. 1340 as passed by the Committee on Agriculture received full bipartisan support, and our committee felt the proposed legislation would properly correct problems brought to our attention about the current operations of the commodity distribution programs. Our friends in the Education and Labor Committee, however, wished to correct deficiencies in the school distribution program in particular and, thus, the compromise bill includes improvements for all commodity donation programs of the Department of Agriculture.

I urge my colleagues to support the compromise bill as amended.

Mr. Speaker, it is our intention to divide our time on this side with our colleague from the Committee on Education and Labor, should they want to avail themselves of the time.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from California [Mr. PANETTA] chairman of the subcommittee, whom I commend, along with other members of the subcommittee and staff, for doing yeoman work in this endeavor.

Mr. PANETTA. Mr. Speaker, I express my thanks not only to the ranking minority member, the gentleman from Missouri, Mr. BILL EMERSON, but also to the gentleman from Michigan, Mr. FORD, ranking member of the Committee on Education and Labor, as well as the gentleman from Pennsylvania, Mr. GOODLING, the ranking minority member of the subcommittee which has responsibility for this issue on commodities with the Committee on Education and Labor. All of them plus the staffs have worked long and hard and diligently to bring before the House a compromise bill on this issue.

For more than 50 years, USDA has helped stabilize our agricultural industry by removing surplus foods from the marketplace and donating them to a number of nutrition programs. The Department's commodity purchase and distribution program has allowed us to provide our schoolchildren and other eligible recipient agencies with wholesome and nutritious meals, and to simultaneously assist our Nation's farmers.

Legislative authority for these acquisitions is found in the Agricultural Act of 1949 and section 32 of the act of August 24, 1935. Last year, the Department distributed approximately \$800 million worth of various commodities acquired through its agricultural support activities for use in child nutrition programs serving over 25 million children. This distribution formed 17 percent of the total \$4.7 billion in Federal child nutrition assistance last

year. Additional commodities valued at almost \$300 million were distributed to charitable institutions and programs serving the elderly and over \$800 million in commodities were donated through the Temporary Emergency Food Assistance Program.

As important as the commodity distribution programs are, however, they are in need of improvement. For almost a decade, they have been the subject of growing controversy. The heaviest criticism has come from the agencies, primarily schools, receiving commodity supplements to the cash assistance they used to furnish meals to children.

In a hearing that I held in my subcommittee we heard all too often that the commodities received by recipients were delivered late and packaged in forms which were difficult to use. We also heard about cheese that doesn't melt and beef shipments which came so late in the academic year that schools had to store the hamburger over the summer.

H.R. 1340 is the end product of a long and balanced effort by users of the program throughout the country to develop recommendations on improving the Department's commodity purchase and distribution operations and strengthening their contributions to agricultural support programs. H.R. 1340 is designed to ensure that the distribution programs fulfill and balance two important objectives: First, to support U.S. agriculture by removing surplus commodities from the market; and second, to help protect the nutritional well-being of people throughout the country by providing nutrition assistance to schools, senior citizens centers, and other institutions through distribution of surplus commodities.

The bill recognizes the need for a strong statutory base to ensure that many of the recommendations on commodity distribution are implemented as soon as possible. It also includes provisions which would extend the authority for schools to continue to participate in pilot projects that offer cash and commodity letters of credit in lieu of commodities; extend the National Commodity Processing Program; and create a new community food bank demonstration project.

When originally introduced, H.R. 1340 was referred to the Committee on Agriculture. The Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition which I have the honor to chair held hearings on the bill in March 1986.

There were five concerns which were raised by the Committee on Agriculture to the substitute approved by the Committee on Education and Labor. There have been long and difficult negotiations to resolve the five areas of difference. The Agriculture Committee's concerns reflect the importance of ensuring that the balance which

was achieved in H.R. 1340 as reported by the Agriculture Committee on July 13, 1987 is maintained. That balance is to weigh the legitimate concerns of agriculture producers for surplus removal against the equally legitimate concerns of the agencies which receive the surplus Agricultural Distribution Program be responsive to their needs. I want to describe the resolution of these five issues.

The first issue is that the Education and Labor substitute directs the Secretary of Agriculture to consult with an advisory committee and consider results of a survey and information from a field testing program in developing specifications on commodities to be acquired under price support, surplus removal and direct purchase programs. The Agriculture Committee is concerned that this provision would restrict the Secretary's ability to acquire commodities in carrying out his responsibilities for removal of surplus agriculture products from the market.

Compromise statutory and report language was agreed to that ensure that the surplus removal responsibilities of the Secretary will not be compromised. This language clarified that by requiring that the Secretary develop specifications for commodities acquired through price support, surplus removal, and direct purchase programs of the Department of Agriculture, the Committee on Education and Labor does not intend that the Department be constrained in its commodity surplus removal activities. The Committee on Education and Labor's intention is to ensure that the nutritious agriculture commodities distributed to recipient agencies be of a quality and type that can be packaged in sizes or processed into forms useful to these recipient agencies.

The second issue is the Agriculture Committee's concern that the requirement in the Education and Labor Committee substitute for a 60-day notification to recipient agencies before each distribution is inappropriate because the Secretary of Agriculture would be prevented from responding quickly in a volatile market.

The Committee on Education and Labor recognizes that in the case of surplus removal operations involving highly perishable goods in a volatile market, the requirement that recipient agencies get 60-days notice of the types and quantities to be distributed may not be administratively feasible in all situations. In such instances, the dual objectives of the commodity distribution program—surplus removal and distribution of nutritious agriculture commodities to recipient agencies—will be best achieved with a shorter notification period. The Committee on Education and Labor, however, expects that the Secretary, to the maximum extent feasible, will

comply with the 60-day notification requirement. The Committee on Education and Labor stresses that it will fully expect that instances of emergency will be the exception rather than the rule.

The third issue reflects the concern of the Committee on Agriculture that two provisions which were added in the Education and Labor substitute to encourage small business to bid for commodity contracts might restrict the Secretary of Agriculture's responsibility to carry out his surplus removal responsibilities.

One prohibits the Secretary of Agriculture from refusing a bid solely on the basis that the offer provides less than the total amount of poundage for a destination specified in the invitation to bid. The other requires that except in an emergency situation, the contract must provide for delivery terms free on board destination. Statutory language was added as a compromise to these two provisions that makes them both subject to compliance by the Secretary of Agriculture with surplus removal responsibilities under other provisions of law.

The Committee on Education and Labor included the requirements of the substitute to prevent the commodity acquisition activities of the Department from being administered in a way which would prevent full participation of small business concerns in the program. This provision is intended to ensure that contracts are not refused solely on the basis of the volume of the shipment.

The fourth concern was that the Education and Labor substitute provided for cost-benefit analyses of commodity acquisition and distribution. The Agriculture Committee objects to any implication that a cost-to-recipient agency test will determine what surplus commodities to remove from the market. The Committee on Education and Labor added report language to clarify that this is not the intent.

The Committee believes that the cost-benefit analysis required under section 2(f) of the substitute will be useful to the Secretary of Agriculture in carrying out his responsibilities under this Act, but recognizes that the cost-benefit to recipient agencies, while it must be considered, may not always be a final determinant.

The fifth concern raised by the Committee on Agriculture pertains to the provision in the Education and Labor substitute which would not allow the Secretary of Agriculture to charge against their entitlement credit any commodities provided under the School Lunch or Older Americans Act that do not contribute to the meal pattern guidelines established by the Secretaries of Agriculture and Health and Human Services for those programs. The Agriculture Committee believes that this provision could result in an imbalance of commodities currently

being purchased. If the Secretary cannot charge a commodity against the entitlement purchase, he would not acquire it. Statutory language was added to specify that this provision has been stricken from the bill in the compromise and I will engage in a colloquy with my colleagues on the Committee on Education to ensure that the department continues to supply a bonus commodities those items which it is currently purchasing and distributing in that fashion.

This bill is a compromise. Probably it is a pretty good compromise because none of the parties who negotiated it are totally happy. The Department of Agriculture has raised at the last minute some concerns about provisions not addressed in the five issues negotiated between the Committees on Agriculture and Education and Labor. These concerns may be legitimate. They were raised too late to be fully analyzed. I would anticipate that in the conference with the Senate on this bill, we will be able to resolve remaining concerns.

What is important now is that we can go on with the task of ensuring that schoolchildren and poor Americans get nutritious commodities, and approve this compromise bill.

The SPEAKER pro tempore. The gentleman from California [Mr. PARNETT] has consumed 5 minutes.

Mr. DE LA GARZA. Mr. Speaker, may I inquire how much time I have remaining?

The SPEAKER pro tempore. The gentleman from Texas [Mr. DE LA GARZA] has 14 minutes remaining.

Mr. DE LA GARZA. Mr. Speaker, I yield 10 minutes to the distinguished gentleman from Michigan [Mr. FORD] to use as he may require.

The SPEAKER pro tempore. Without objection, the gentleman from Michigan [Mr. FORD] will be recognized for 10 minutes.

There was no objection.

Mr. EMERSON. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GOODLING] for him to use as he wishes.

The SPEAKER pro tempore. Without objection, the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 10 minutes.

There was no objection.

Mr. EMERSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House of Representatives is now considering a bill to improve the administration of the Commodity Distribution Program. Through this program surplus commodities are made available to several programs including the School Lunch Program and the nutrition programs for the elderly. In all, over \$2 billion of commodities are made available each year. The purpose of the Commodity Distribution Program is a dual one: it is aimed at providing assistance to our

Nation's farmers and it is aimed at providing food to schools and other organizations to help feed needy children. It is extremely important to remember the dual goals of the Commodity Distribution Program and to ensure that the design of the program adheres to both areas that are served.

This bill was originally introduced by the chairmen and the ranking minority members of the Committee on Agriculture and the Subcommittee on Domestic Marketing, Consumer Relations and Nutrition. This, I believe, demonstrates our commitment to improvement of the administration of the Commodity Distribution Program and Adherence to the dual goals of the program.

In the subcommittee, we have held extensive hearings on Commodity Distribution Programs and have consistently urged the USDA to improve its distribution methods. The Secretary of Agriculture demonstrated his further commitment in December 1985 by establishing a task force to report to him on means to improve USDA's commodity purchase and distribution activities. In June 1987, the task force issued its report which is comprehensive and lists specific improvements to be made. In recognition of this, the American School Food Service Association, which is a non-profit association of 60,000 members comprised of employees that administer and staff the child nutrition programs at the State and local level, adopted a resolution on July 24, 1987. The Association's resolution found that USDA has responded to their concerns in an "extremely constructive manner" and had made "substantial progress" in addressing their recommendations. In addition, that association of 60,000 now opposes adoption of a commodity letter of credit option at the State or local level to replace the Commodity Distribution Program as we know it today.

I am pleased to bring this matter to my colleague's attention to demonstrate across the board commitment to improvements in the Commodity Distribution Program.

H.R. 1340 was agreed to by the Committee on Agriculture, to whom the bill was referred, on June 3, 1987. That bill was a carefully thought-out and constructive measure that required the Secretary of Agriculture to take certain steps to improve the distribution of agricultural commodities and food products acquired by the USDA that are donated. That bill had a wide range of support from organizations involved in the Commodity Distribution Program, such as the American School Food Service Associations and agricultural organizations representing milk producers, fruit and vegetable organizations and farm organizations.

H.R. 1340 was later sequentially referred to the Committee on Education and Labor who reported a substitute bill. Throughout our discussions on deciding the best manner in which we can achieve our goal or improvement in the Commodity Distribution Program, I believe we must remember the dual goals of the program: help to our Nation's farmers and provision of nutritious food to children.

I am pleased that we have agreed on these goals and have reached resolution of the major points in disagreement. We agree that this bill does not, in any way, restrict the Secretary of Agriculture's ability to acquire commodities and that it is our intention to ensure that nutritious commodities are distributed. We agree that the Secretary must be able to respond quickly to accomplish surplus removal activities in a highly volatile market. We have always agreed on the need to constantly improve the administration of the Commodity Distribution Program.

It is important that Price Support and Surplus Removal Programs which are vital to farmers not be restricted. The goals of the Commodity Distribution Program are consistent with this. We must ensure that good quality food is provided to schools and other agencies; that America's agricultural markets are strengthened and that the Commodity Distribution Program operates in an orderly fashion.

We do not need a complex, inefficient system providing fewer agricultural commodities. Nor do we need a system that provides highly processed food and reduces the amount of food acquired from farmers. The issues raised concerned the Secretary of Agriculture's ability to manage Price Support, Surplus Removal and Direct Purchase Programs.

By requiring that the Secretary develop specifications for commodities acquired through Price Support, Surplus Removal, and Direct Purchase Programs of the Department of Agriculture, we do not intend that the Department be constrained in its commodity surplus removal activities. Our intention is to ensure that the nutritious agriculture commodities distributed to recipient agencies be of a quality and type that can be packaged in sizes or processed into forms useful to these recipient agencies.

In addition, we recognize that in the case of surplus removal operations involving highly perishable goods in a volatile market, the requirement that recipient agencies get 60-days notice of the types and quantities to be distributed may not be administratively feasible in all situations. In such instances, the dual objectives of the Commodity Distribution Program—surplus removal and distribution of nutritious agriculture commodities to recipient agencies—will be best

achieved with a shorter notification period. We, however, expect that the Secretary, to the maximum extent feasible, will comply with the 60-day notification requirement and stress that it will fully expect that instances of emergency will be the exception rather than the rule.

I am especially pleased that H.R. 1340 contains an amendment I offered concerning a food bank demonstration project and I wish to thank the chairman of the Nutrition Subcommittee for his assistance. Our subcommittee held a hearing in Sikeston, MI on the subject of food banks and how they participate in the Temporary Emergency Food Assistance Program. Chairman PANETTA presided over that hearing and heard the testimony of the people who operate the food bank in Sikeston. Following that hearing and after a review of information compiled in our other hearings, I offered an amendment in the committee to require the USDA to begin a demonstration project in which the variety of commodities provided to food banks will be expanded to include meat products, fruits and vegetables. That amendment remains a part of the bill before us today and I thank Chairman PANETTA for his assistance. In addition, I thank the gentleman from Pennsylvania, the ranking minority member on the Education and Labor Subcommittee for his help. I have discussed this amendment over the past few weeks with him and appreciate his assistance.

PURPOSE OF H.R. 1340

It is the purpose of H.R. 1340 to improve the manner in which commodities that have been acquired by the USDA are distributed to agencies that use them to provide food for meals to improve the quality of the products distributed—and to improve the degree to which distribution responds to the needs of these agencies. To accomplish this, H.R. 1340 requires the Secretary of Agriculture, among other things, to—

First, make available summaries of specifications developed for the commodities and products;

Second, develop and implement schedules for distribution of commodities and products that are consistent with the needs of recipient agencies;

Third, develop replacement procedures for commodities and products that are stale or spoiled; and

Fourth, monitor the condition of commodities and products designated for donation that are in Department of Agriculture storage to ensure that quality is maintained.

For over 50 years, the Department of Agriculture has helped stabilize the agricultural economy through its Price Support and Surplus Removal Programs. Commodity acquisitions allows the Federal Government to not only significantly supplement nutrition as-

sistance for children, the elderly, and the needy, but also to significantly assist our Nation's farmers.

Last year, the Department distributed approximately \$800 million worth of a variety of commodities acquired through its agricultural support activities for use in child nutrition programs serving over 25 million children. This distribution formed 17 percent of the total \$4.7 billion in Federal child nutrition assistance. Additional commodities valued at almost \$300 million were distributed to charitable institutions and programs serving the elderly. Over \$800 million in commodities were donated through the Temporary Emergency Food Assistance Program.

As important as the Commodity Distribution Programs are, however, they are in need of improvement.

DUAL PURPOSE OF THE COMMODITY DISTRIBUTION PROGRAM

The purpose of the Commodity Distribution Program is a dual one: to assist our Nation's farmers and to provide low-cost, nutritious food for schoolchildren and needy individuals and families. This balance must be maintained. We must assure that the Secretary of Agriculture can fulfill his agricultural support objectives while making sure that commodities that are donated are done so in an effective and efficient manner.

The USDA must retain its ability to make emergency purchases wherever surpluses exist and markets are depressed and also assure that agencies receiving these contributions can operate programs with as much advance notice of receipt of commodities as is possible.

We must make sure that the commodities and products donated contribute to the good health of the participants and are not so highly processed that the cost of the product is increased while the value of the donated commodity decreases.

An example of how the dual nature of this Commodity Distribution Program works is the recent provision of 21.2 million pounds of frozen red tart cherries for use in the school lunch and other domestic feeding programs. This purchase helps cherry growers in Michigan, New York, Wisconsin, Pennsylvania, Ohio, Virginia, West Virginia, and Maryland and by reducing the large reserve of cherries on hand and will assure USDA can make cherries available to schools.

COSTS OF H.R. 1340

As reported by the Committee on Agriculture the cost of H.R. 1340 was less than \$500,000 each year, according to the Congressional Budget Office (CBO). This cost included small increases in administrative costs for testing the acceptability of commodities, establishment of an advisory council and evaluation of the food bank demonstration project. However, the cost

of H.R. 1340 after being reported by the Committee on Education and Labor increased to \$3 million in 1988 and \$2 million in each succeeding year. In addition, CBO indicated that there could be increased costs for State and local agencies involved in the programs covered by this legislation. Changes in the CBO cost estimates resulted from expansion of the size and responsibility of the advisory counsel, expansion of the requirements for sending out information, requiring a new survey and collection of information on a quarterly basis, extension of the cash/commodity letter of credit option for certain school districts and by adding several reporting requirements.

FOOD BANK DEMONSTRATION PROJECT

H.R. 1340 requires the Secretary to establish at least one demonstration project in which the variety of commodities provided to food banks is expanded.

The purpose of this amendment is to test the concept of using section 32 commodities, those commodities removed from the market by the USDA under the Surplus Removal Program, for food banks. This pilot project will be established for the period through 1990, to coincide with the expiration of the farm bill. At that time the USDA will be required to submit a report to the Congress evaluating the pilot and making recommendations as to the feasibility of continuing the project and expanding it to other food banks.

The 1985 farm bill provided that public or private nonprofit organizations receiving commodities under section 32 of the act of 1935 are authorized to transfer these commodities or products to other private or nonprofit organizations that can use them without waste to provide nutrition assistance to low income persons. This redistribution will be a source of the surplus commodities to be made available for the food bank pilot project. Other surplus removal activities of the USDA can provide additional surplus commodities to the food bank pilot project.

Food banks provide a vital resource to the communities they serve. Their service is not only in distribution of surplus commodities made available by the U.S. Department of Agriculture through the Temporary Emergency Food Assistance Program (TEFAP). In addition, they provide food products donated by food stores and other private organizations. The food banks, which provide food to charities that serve the needy, are an integral part of the overall network of public and private organizations providing food assistance to needy individuals and families.

A food bank is defined by the USDA as a provider of central collection, storage and distribution of donated

foods. A food bank has the resources to solicit, transport, store and distribute foods in large quantities thus providing a convenient outlet for donors who then interact with only one agency. Food banks may also operate food box programs which provide boxes or bags of food directly to households, for preparation at home.

According to a report issued by the USDA, food banks distributed a significant portion of TEFAP commodities, although the proportion varies across States. The proportion varied from 100 percent in seven States to less than 1 percent, but because States with larger TEFAP allocations tended to use food banks more, 30 percent of all TEFAP commodities for the Nation were distributed through food banks.

Commodities received by food banks through TEFAP include cheese, butter, nonfat dry milk, flour, cornmeal and rice. By initiating the food bank demonstration pilot project, the committee is testing the concept of increasing the variety of commodities made available to food banks, specifically section 32 commodities which include fruits, vegetables, meat and poultry products.

Many food banks have an established network in place to provide for the distribution of surplus commodities to agencies that feed needy people. Such food banks have workable transportation systems, available warehouses and a history of reliable service. The committee has chosen to use the available food bank system and to increase the variety of commodities made available to needy people. These commodities of fruits, vegetables, meat and fish products will complement the staple surplus commodities now distributed by food banks and thereby provide a wider range of food to individuals and families in need.

USDA is required to establish at least one demonstration project but, of course, may conduct more. The committee expects that the USDA will consult with the committee in carrying out this demonstration project and will report periodically on the status of the project, the types of commodities made available and the feasibility of expanding distribution of section 32 commodities to other food banks.

Mr. Speaker, under leave to include extraneous matter, I include herewith in the RECORD a statement of the USDA's position on H.R. 1340. They oppose the bill. However, it is my hope that many of the USDA concerns can be worked out in conference.

MAJOR CONCERNS OF THE U.S. DEPARTMENT OF AGRICULTURE WITH H.R. 1340, THE "COMMODITY DISTRIBUTION REFORM ACT OF 1987," AS ORDERED TO BE REPORTED BY THE HOUSE EDUCATION AND LABOR COMMITTEE, JULY 31, 1987

The USDA commodity distribution system serves several important goals: providing good quality foods to schools and other re-

cipient agencies; strengthening America's agricultural markets; and operating in an efficient and orderly fashion which accommodates the needs and capabilities of our State and local partners. This bill moves sharply away from the goals of agricultural support and operational efficiency. The net effect of this bill will be a complex, inefficient system which will provide less agricultural support and which may often fail to provide commodities to sites effectively. Entitlement commodities only constitute 20 percent of the funds for the National School Lunch Program; schools always can respond flexibly to their needs using the remaining funds.

The bill decreases the amount of entitlement commodities that can be removed from the market at current funding levels and reduces the amount of food that recipient agencies receive.

To provide further accommodation to recipient agency desires for entitlement commodities, USDA would have to buy more processed foods. For example, instead of frozen, cut-up chicken, USDA would purchase more expensive breaded chicken nuggets. The Study of Alternatives to Commodity Donation showed that such efforts reduce the market value of food purchased by 3 percent. The reduction in the amount of food acquired from farmers would be even greater due to the processing costs. A dollar's worth of breaded chicken nuggets uses half of the amount of chicken as a dollar's worth of frozen, cut-up chickens.

Further, purchasing more processed foods would likely increase the level of salt and other processing ingredients in children's diets.

This bill ignores recent and ongoing voluntary, cooperative improvements made by USDA. On July 24, 1987, the American School Food Service Association passed a resolution recognizing these improvements, supporting the USDA commodity distribution program and opposing a State or local Commodity Letter of Credit (CLOC) option.

The bill creates a complex, paperwork-laden system which will greatly increase burdens upon the Department, State distributing and educational agencies, and recipient agencies. This will both increase costs and decrease the ability of all organizations to manage the commodity distribution system within current resources and to improve the system.

Changes in purchase requirements made by the bill will result in inequitable and inflexible systems, hindering the Department's ability to provide the types and amounts of food desired by recipient agencies.

In addition, these changes will delay and increase the costs of an \$18 million computer system being designed by Arther Anderson and Co. for three USDA agencies (FNS/AMS/ASCS) to improve commodity acquisition and distribution. The cost of systems redesign is about \$2.6 million. The delay of at least one year (from Fiscal Year 1989 to 1990 readiness) will impair USDA ability to the commodity distribution system.

The rapid timeframes required for implementation will require substantial and sudden changes in regulations and procedures. The result will be short-term confusion and chaos. This will inevitably lead to a poor review of implementation by the General Accounting Office.

The Department estimates \$6.05 million in Fiscal Year 1988 costs, not including major costs which will be incurred by State

and local agencies and the loss of purchasing power for commodity acquisitions.

**MAJOR PROVISIONS OF CONCERN IN H.R. 1340
(EDUCATION AND LABOR SUBSTITUTE) SECTION
AND PROVISION/CONCERN:**

2(a)(1)(C)(i)—Requires USDA to buy commodities based on specifications determined by the advisory council. Terminates USDA discretion in purchasing commodities, based on market needs or availability and other legislative requirements.

2(a)(2) & definitions—Extends coverage of this bill to all commodity donations programs, including TEFAP, Charitable Institutions, Commodity Supplemental Food Program, and programs under the Older Americans Act. The provisions should be confined to mandatory coverage for the Child Nutrition programs and optional coverage for the other programs. Establishes needless burdens for programs marginally affected.

2(a)(3)—Establishes an advisory council to provide guidance on commodity specifications. Establishes an unnecessary and costly group. USDA already has well-established channels of information, including regular input from State advisory councils.

2(b)(1)(A)—Requires USDA to provide optional package sizes and forms of commodities. Needs to include the phrase, "where available." Optional forms are not always available or economical.

2(b)(1)(C) & 2(e)(1)—Requires USDA to establish mandatory criteria for State charges for handling commodities. Given the variation in State and local practices and financial status, this is not possible.

2(b)(3)—Requires a system to disseminate summaries of commodity specifications to State and recipient agencies. This is costly and unnecessary. Many recipient agencies (e.g., TEFAP agencies) would not want the specifications. This provision should be limited to State agencies, who can make the information available to recipient agencies. Cost \$1 million.

2(b)(4)—Requires 60 day lead notification on deliveries. This needs an exemption for emergency situations, such as emergency surplus removal.

2(b)(6)—Requires commodities to be stored in conditions to maintain "highest quality." There is no industry standard for highest quality. This should be changed to "acceptable" quality.

2(c)(1)—Prohibits USDA from refusing offers from commodity contractors because the offer is less than the amount requested. This will create a needlessly complex system of bid review and distribution. Increases the burdens and risks of recipient agencies, who may be faced with multiple partial deliveries of slightly differing products from multiple producers. The FNS/AMS/ASCS computer system is designed with a truckload as the minimum unit. To redesign this system will cost AMS about \$2.5 million and delay readiness from 1989 to 1990.

2(c)(2)(B)—Requires free-on-board destination buys, rather than point-of-origin buys. Bids may not be received for remote and rural areas, which will increase the unpredictability of deliveries for them. Also increases inequity of allocations, based on preferred destination points. Destination bids are less flexible for recipient agencies. To reprogram the tri-agency computer system for this will cost about \$100,000.

2(d)—Requires USDA to develop regulations for State performance in six areas. This endangers USDA's cooperative efforts to establish performance standards for State distributing agencies, based on joint

efforts with the National Association of State Agencies for Food Distribution and the American School Food Service Association.

2(e)(2)—Establishes extremely short timeframes for regulatory implementation. These will both limit public input and cause confusion due to sudden and changing rules. The results will be problems in Departmental, State and local implementation.

2(f)(1)—Requires cost/benefit analyses for commodity specification decisions. This is inappropriate for legislative price support and surplus removal acquisitions and is unworkable in practice. Could cause a massive paperwork burden for recipient agencies to establish costs and benefits.

2(f)(2)—Requires a quarterly reporting system for commodity preferences. This is a costly system that has little purpose. For the National School Lunch and Breakfast Programs, purchases are made on an annual schedule to fit their cycle or demands and the agricultural cycle of availability; USDA already receives annual reports. For the Commodity Supplemental Food Program and the Food Distribution Program for Indian Reservations, we already receive quarterly reports.

2(g)—Requires field testing of existing and anticipated commodities. USDA already field tests new products, but should not have to field test products that are already available and accepted.

2(h)—Requires that recipient agencies buy only American-produced food. While USDA only purchases American-produced foods and encourages recipient agencies to do so, this restricts the non-Federally-funded purchases of agencies. This may cause particular problems for certain commodities, such as bananas and sugar. Some agencies which receive relatively low Federal support, such as soup kitchens, may drop out of programs. It will be impossible to monitor this provision. This also has potentially serious trade repercussions.

2(j)(1)—Prohibits USDA from charging against a State's entitlement commodities, those foods which do not contribute to meal patterns, except vegetable oil and shortening. We oppose this provision, which is potentially costly or will reduce purchases. This can be made acceptable if report language specifies that this does not include foods which can be used in the preparation of foods in the meal pattern. For example, flour can be used in bread, which is part of the meal pattern, or cake, which is not. Flour should be exempt.

2(k)(2)—Requires States to offer to each school the full and range of commodities. This limits State flexibility in dealing with the amounts, types and shipping units of foods available, based on their assessment of school needs.

3—Requires a survey of recipient agencies within 90 days to determine what they are purchasing. This would be expensive and perhaps impossible to do in 90 days. This will also impose a large information collection burden on recipient agencies at the same time they are trying to comply with other bill provisions. USDA recently completed a School Food Purchase Study anyway. Cost \$1 million.

5—Extends through 1992 CLOC and cash sites which participated in the Study of Alternatives to the Commodity Donation Study. The study is complete and there is no need to extend these sites. The alternative systems offered no significant advantages over the current system and provide less market support for agricultural pur-

chases. The American School Food Service Association no longer backs State or local option CLOC.

6—Extends the National Commodity Processing System through 1992. USDA is actively trying to improve the system and does not believe mandates are appropriate. Further, given the declining stocks of surplus commodities, the system may not be needed by 1992.

**USDA COST ESTIMATES FOR H.R. 1340
(EDUCATION AND LABOR SUBSTITUTE)**

The H.R. 1340 cost estimate is based on the version ordered to be reported out of the House Committee on Education and Labor on July 28, 1987.

Fiscal year 1988 costs

Provision	Millions
Advisory Council.....	\$0.2
Specification summaries to recipient agencies.....	1.0
Field testing.....	.1
Quarterly information from recipient agencies.....	.25
Annual reports to Congress:	
USDA1
Advisory Council1
GAO1
Extension of CLOC sites2
Survey of recipient agencies within 90 days.....	1.0
Food bank demonstration evaluation	
General FNS staff to write regulations and implement procedures2
Redesign and reprogram FNS/AMS/ASCS computer:	
Purchases less than a truckload	2.5
Destination terms and delivery based on recipient agency needs ..	.1
Total	6.05

Note:—These costs do not include: Major costs to be incurred by State and local agencies which must implement the provisions of the bill, possible future costs based on implementing the advisory council recommendations, or possible increases in the purchase costs of foods due to changes in purchase requirements made by the bill.

**AGRICULTURAL MARKETS LIKELY TO BE
AFFECTED BASED ON SCHOOL PREFERENCES**

A major purpose of H.R. 1340 (the substitute bill from the Committee on Education and Labor) is to increase the extent to which USDA buys and distributes commodities based on recipient agency (e.g., school) preferences.

USDA currently uses the commodity distribution system to balance the needs of users and those of producers. Evidence on the effect of further basing purchases on recipient agency requests is available from the Study of Alternatives to Commodity Donation, which permitted certain school districts to receive cash or Commodity Letters of Credit, in lieu of USDA commodities.

There would likely be two effects: (1) further processing of foods, substantially reducing the farm level impact of USDA purchases (discussed elsewhere) and (2) a change in the types of commodities purchased. If we assume that school preferences can be measured based on the experience with schools offered cash, the following markets would be affected:

Decreased Purchases Based on School Preferences: beef, peanuts, spinach, dry peas, chicken, pears, sweet potatoes, milk, blueberries, and tomatoes.

Increased Purchases Based on School Preferences: palm oil and cottonseed oil.

For the Commodity Letter of Credit sites, the impacts were similar, but more limited, since USDA letters of credit still required

schools to buy specified commodity products, in accord with USDA commodity purchase allocations.

In the cash sites, the dollar volume impacts for beef, chicken and milk products were substantial. As a share of the market, the declines for fruits and vegetables were quite large, especially for pears and blueberries.

Since the Department of Agriculture currently uses its discretionary authority to provide market relief for varying degrees according to market conditions, assistance may be provided at other times to markets, such as cherries.

In seeking to improve the commodity distribution program, there has been considerable emphasis placed on providing users with more acceptable forms of commodities in question. If the products purchased by the Commodity Letter of Credit (CLOC) sites in the Alternatives to Commodity Distribution Demonstration Study are any indication of the form of commodities that would be preferred by local school food authorities in general, this emphasis on user acceptability of commodity form may have implications on the agricultural markets. Over the period of the demonstration, the flexibility afforded the CLOC sites provided them the opportunity to acquire foods in a more ready-to-use state.

For most commodities, the form of the items purchased by CLOC sites was similar to USDA donations, although the packaging of these items may have differed. However, there was some evidence that for some commodities, if the school districts were given the opportunity, they would acquire foods in a different form than what was donated by USDA. This was especially evident for meats other than beef. CLOC sites expended a significant portion of their letters of credit funds for the cost of processing the targeted commodity into more kitchen-ready forms than that currently being donated by USDA. In particular, almost 75 percent of all chicken products purchased with the CLOCs were cooked, breaded items such as chicken nuggets or chicken patties. About two thirds of all turkey purchases were processed turkey products such as turkey hotdogs, turkey luncheon or turkey hams. Instead of canned pork, CLOC sites purchased ham, pork sausage, and pork patties.

On average, commodity school districts expended about 52 cents of every food dollar for "value added costs" (i.e., the difference between the cost of the farm-level ingredients and the wholesale prices paid by the schools. The cash and CLOC systems increased the portion of the food dollar spent on processing and distribution by about 3 cents—a relative increase of almost 6 percent. Obviously, for commodities such as chicken and turkey the relative increase in processing would be considerably more.

As an example of how commodity processing affects the farm-level removal, suppose \$1,000 was to be spent on chicken products. The following table displays the amount of specific chicken products that could be bought with that \$1,000 and the farm-level equivalent needed to produce those products.

Food item	Cost per pound	Pounds per \$1,000	Farm-level equivalent
Chicken fryer, whole, frozen	0.62	1,613	2,224
Chicken, cut-up, frozen	0.73	1,370	1,889
Chicken, cut-up, breaded, cooked, frozen	0.95	1,053	1,635

Food item	Cost per pound	Pounds per \$1,000	Farm-level equivalent
Chicken, nuggets, breaded, cooked, frozen	1.77	565	1,000

Mr. FORD of Michigan. Mr. Speaker, on behalf of the Committee on Education and Labor, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1340, the Commodity Distribution Reform Act of 1987.

The bill that is before the House today was reported by the Committee on Agriculture on July 13, 1987, and sequentially referred to Education and Labor, due to its jurisdiction over the School Lunch, Child Nutrition, and Older Americans Act. We were to have the bill under sequential referral for 14 days—until July 31, 1987.

On July 28, 1987, the Education and Labor Committee ordered H.R. 1340 reported, by a vote of 34 to 0, amended in the nature of a substitute. The committee substitute contained the provisions of H.R. 2496, introduced by myself and WILLIAM GOODLING of Pennsylvania on May 21, 1987.

Both H.R. 2496 and H.R. 1340, as reported, were similar in their intent, Mr. Speaker, and that intent was primarily to put into law requirements that will remedy the shortcomings of the existing system for distribution commodities to schools, child care providers, elderly nutrition sites, and other recipient agencies defined under the bill.

But before elaborating on the provisions in the bill before the House, it is important to state that the major difference between the Agriculture Committee reported bill, and the substitute being considered today is that where the Agriculture Committee bill required the Secretary of Agriculture to comply with the reforms in the bill only to "the extent practicable," the Education and Labor Committee bill set definite dates by which USDA must have complied with its provisions.

The very substantial requirements we impose upon the Secretary are—

To improve the manner in which agriculture commodities are acquired, and the manner in which they are distributed to receiving agencies;

That such commodities that are donated be sent in a timely manner, so that recipients can plan ahead for their use, their pickup and delivery, and their storage; this is particularly important to schools;

That the quality of the commodities donated be of highest quality, and in good condition upon receipt and, if they are not, that steps be taken to immediately replace them;

That the Secretary take into account recipient needs with regard to product acceptability through field testing;

That recipient needs with regard to package size and forms be taken into account, and that options be made available whenever possible;

That commodities provided to recipients are consistent with current USDA dietary guidelines, and those of the Secretary of HHS with regard to nutrition for Older Americans;

That fees charged by State distribution agencies be set, using mandatory Federal criteria, so that excessive fees for delivery and storage of commodities are not charged to local recipient agencies,

To assure that Thanksgiving turkeys arrive before Thanksgiving, rather than in January or February the following year;

That huge quantities of commodities are not delivered to schools just before summer vacation, requiring expensive storage over 3 months;

To require that commodities delivered to schools be those that contribute to USDA required meal pattern guidelines, and if they do not, that they not be charged against recipient's 12 cents per meal served;

That the Secretary send commodities in other than railcar lots except under conditions outlined in the act;

That the Secretary monitor the condition of commodities stored by and for the Secretary, to assure they are maintained in a state of highest quality, and not become stale or spoiled;

That the Secretary, in developing commodity specifications, in keeping with dietary guidelines, provide recipients with the fat, salt, and sugar content, and to reduce the content in those commodities to the extent practicable;

That State distribution agencies evaluate their warehousing and distribution systems to assure cost effectiveness and efficiency;

That States be required to offer the full value of entitlement commodities to recipient agencies, and that they also must offer local school food authorities the full range of commodities available to it;

That States consider recipient agency ability to cope with quantities of commodities delivered, and assure that they have the capability of using and storing those commodities;

That recipient agencies use funds available for meal service to "Buy American" to assure that only food produced in the United States is purchased with our food dollars;

Mr. Speaker, the Education and Labor Committee has heard, for many years, the complaints of our school lunch authorities and the Older Americans Act recipient agencies.

At a recent committee hearing in Iowa, receiving testimony from representatives of Older Americans nutrition programs, Ms. Jean Beatty, direc-

tor of the Area Agency on Aging of North Central, Iowa stated:

I hope that Congress continues to make the food option available to the nutrition program to the elderly, that we can be offered a greater variety of food, and that the USDA will lower their specifications for salt, sugar and fat in the processing of the foods we receive * * * we receive comments from the elderly themselves about the salty flavor of the canned vegetables, and the turkey roll, particularly. Lowering the sodium content of these products would be of benefit to all our diners, especially to those with hypertension.

We have a requirement in the bill that requires the Secretary to deliver commodities at other than rail-sidings, except under certain conditions.

In explaining why, let me quote from Ms. Beatty's testimony out in Iowa, in response to the claim by the USDA witnesses at the hearing that the Nutrition Program for the Elderly often refused commodities: She said:

Part of it is the requirement that the commodities have to come into the state in full carloads for NPE. And so as fewer and fewer of the agencies were receiving commodity foods, there were fewer and fewer of us that had to share this carload requirement. And then it gets to the point, do you want a carload of a particular item, or none at all. And sometimes the answer is none at all, thank you very much.

As we have recently learned, nearly 97 percent of the aging nutrition programs receive all cash, in lieu of commodities. And they do so because: First, of the high salt, fat, and sugar content in those commodities; and second, because they have to order in railcar lots rather than by the truckload—and they can neither use it nor store it inexpensively—so they either do without or they take the cash and buy food for their elderly participants on the local markets.

This is also true of school food authorities. They are very fed up with being a dumping ground for whatever the Secretary of Agriculture believes they ought to receive—with no thought given as to its acceptability among persons eating the meals, and no thought given to the people who have to pay to have railcars full of commodities picked up and delivered to nutrition sites—or to warehouses where storage costs, are in many States, outrageously high.

Mr. Speaker, while I understand the need of the Agriculture Committee, and by extension the Department of Agriculture, to give precedence to their role of removing surplus agriculture commodities from the marketplace and keeping up price supports, the Education and Labor Committee must also emphasize the need to protect those who are on the receiving end of those commodity purchases—the schools, the child care centers and family day care providers, the older Americans and nutrition sites.

We have tried, and I believe we have succeeded, in making this bill fit the

dual objectives that these programs ought to strive for—

The removal of surplus commodities and for purposes of farm price supports; and

The feeding of the Nation's schoolchildren, its preschool children, and its elderly, through provision of nutritious agricultural commodities and their products.

While the U.S. Department of Agriculture must, by law, use section 32 and section 416 funds for removal and farm price supports, it must be recognized and taken into account here and now that without our school system—16,000 school districts in the United States which served 3.9 billion meals in fiscal year 1985—and numerous child care provider settings and elderly congregate and home-delivered meal participants—there would be no outlet for these surplus commodities, or items purchased for purposes of price supports. They would be rotting in the fields.

But for 52 years, the USDA has paid more attention to its role of surplus removal and price support than it has to providing quality commodity products to their outlets—the schools and other recipient agencies.

Under H.R. 1340 which is before us today, that dual objective is codified into law—we intend to do both, and we intend that USDA and State distribution agencies be mandated to comply with the reforms contained in the legislation—and to comply quickly and in a manner that will significantly improve the commodity distribution system in effect nationwide today.

□ 1310

Mr. Speaker, it is important to point out one major difference in the bill and also important to say on behalf of the Committee on Education and Labor that we appreciate the fine cooperation that we have had from the chairman of the Committee on Agriculture and the Agriculture Subcommittee and the ranking Republican members, the chairman of the Subcommittee on Agriculture, Mr. PANETTA, who with his staff has worked many hours with our staff putting together the compromise as he described it that comes to us today on the floor. This represents the best effort of the people on both committees to accommodate all of our concerns. While, like all compromises, it does not give everyone everything they would like to have, I believe, as Mr. PANETTA indicated, it is a good compromise and worthy of the support of the House.

The only real major difference between the Committee on Education and Labor approach and the Committee on Agriculture bill in its original form was that the agricultural bill asked the Secretary of Agriculture to make changes in the commodity distribution system to the extent practica-

ble. The bill before us goes much further than that and places very substantial requirements upon the Secretary to do a number of items enumerated in the legislation. I will not go into those at this time.

Mr. Speaker, I reserve the balance of my time.

Mr. EMERSON. Mr. Speaker, I reserve the balance of my time.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I do want to engage in a colloquy a little later but first of all I think a little history lesson might be good. I would like to read the act and the declaration of policy. It seemed to be reversed every time I heard it mentioned here today and I would like to correct that for the record.

Section 2:

It is hereby declared to be policy of Congress as a measure of national security to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other foods.

Again, you have heard the order in which this was presented. This is the way it has always been.

So I want to correct the record, because I have heard it repeated several times now today in reverse order.

For years, 17 before I came here as an administrator and 13 since I have been here, I had seen the problems of commodity distribution and we have heard over and over again from the people who are doing the School Lunch Program and the Child Nutrition Program back in the districts, of all of the problems and they recite them year after year after year.

However, they will say then, at the end, "Don't change anything because if you have money out there instead of commodities the Congress may take that money away from us and they can't take the commodities away."

That is not the way it happened in 1981, folks. They discovered that that was not true at all, as a matter of fact. They lost commodity money.

Was that not a shock to them?

All I want to point out is if the American public ever knew the amount of money involved in trying to make these distributions, they would rise in outrageous—whatever—because in many instances you buy and then you store and then you shift to the State and they store and then you shift to the local school district. Now they cannot take care of 50 pounds of frozen hamburger so they have to send it out someplace to store it. Then when they want to use it they also have to send it out and have it reprocessed so they can use it.

So for years and years and years we have been trying to find a way to improve food distribution. As someone said in our hearings, it does not matter

which administration, it does not get any better. It is getting better now. Why is it getting better? Because for the first time in the history, the Department now has a little competition, because you authorized some program where you said you could either take cash or you could have a commodity letter of credit.

Let me talk about commodity letter of credit.

What could be any better if you want to move surplus commodities or commodities that you think are going to be a glut on the market than a commodity letter of credit? Why is it so great?

First, it is controlled by the Secretary of Agriculture. They cannot take it and go buy what they want to buy; they can only buy what he says they can buy. That is one.

So he takes care of any surpluses or anything he perceives that is going to be a glut on the market.

Second, they can buy locally and take that surplus away before it ever becomes a storage item. And it does not have to be reprocessed in most instances. So you get the best of all worlds there.

Now cash, cash is something that has been going on a long time. Is it not amazing we have one State in this Union that does this totally different than any other State?

The State of Kansas many years ago decided that "We are not going to have any distribution program anymore, we are going to get rid of that whole mess. As a matter of fact, we are going to get out of it."

So what happens? Well, as the good Senator said, "Well, I think the Government then ought to give us cash in lieu of those commodities that we don't want to bother with." And somebody over here in the House must have traded something off, I do not know, and said, "We will help you get it."

So the State of Kansas gets their bonus commodities and then they get cash for everything else—only one State. But the commodity letter of credit—I do not see how you can do a better job of taking care of surplus than having a commodity letter of credit.

Let me say that the bill as it originally came in my estimation did not do anything more than the Secretary can presently do. However, he seemed to think he needed additional authority so I have no problems with that, even though as I said I do not think it does anything any different, the original bill, than what he now has the power to do.

But I am happy to support the compromise that we have. I think it will take care of both the need to improve nutrition on the one hand and, on the other hand, to take care of the excess commodities that we have.

You have to understand the program. Everybody gets the surplus commodities; no matter what program you are under you all get the bonus commodities. We are really not talking about those.

We are talking about those that the Secretary goes out and purchases and then tries to distribute through a horrible distribution program. And sometimes I think the school food service is linked up somehow or other with the distribution people—they get in bed together, as I sometimes think lobbyists are lobbying from all different angles and representing and probably getting much more money than any of us in the Congress of the United States get because I guess they have more accounts.

Let me say that I rise in support of what we have come up with as a compromise.

Mr. Speaker, I rise in support of H.R. 1340, the Commodities Distribution Reform Act of 1987. This bill which has been under the supervising eyes of two committees of jurisdiction contains a good compromise which balances the agricultural removal programs with those of providing a nutritious meal to schoolchildren, the elderly, and the needy. I applaud the committee members and their work in arriving at a bipartisan compromise. This substitute contains not only improvements to the commodity distribution system but contains an extension of the current existing cash and CLOC programs. For years we have heard the continuous complaints and chronic problems about the distribution system involved in getting foods to the local recipient.

Our intent in this substitute is to grant the Department of Agriculture the statutory authority, which they believe they do not have and yet need to improve the program. We, therefore, are not only giving them this authority but are giving them a mandate to use that authority in a timely manner. We are serious about these changes. We have relaxed the time lines in order to allow for meaningful comment to regulations which we expect the Department to implement. Maximum public comment will ensure the best promulgated regulations.

There exists a vital link between the State and Federal agencies. We expect States, as we expect the Department, to make reforms. Each State should make complementary reforms so that we can proceed, knowing all has been done to make a complicated program work better.

An important aspect of this bill is the pilot project extension. Even though we commend the Department for recent changes to improve the program, I believe the pilots should be given credit for the serious reform of the commodity distribution program taken recently by the Department.

The competition of alternatives is forcing the Department to perform better. These programs are not designed to dismantle the commodity removal programs, but are alternatives to the current distribution method of those commodities available. The bottom line is still removal no matter the method; then, using the surplus to feed people.

Since the current commodity distribution program applies to everyone except the 64 pilots and the State of Kansas, it has the greatest impact on the most number of youngsters; therefore, we intend the commodity program to work and work well. However, if the interested groups including the Department do not greatly improve the program with these legislative changes, I am reserving the right to revisit offering the CLOC option to all local agencies.

Again, I rise in support of this bill and urge my colleagues to join me in support of its passage.

I would like to engage in a little colloquy very quickly, if we could have it with the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. I thank the gentleman for yielding.

Mr. Speaker, in striking section 2(j), it is our understanding that the Department will continue its current distribution procedures to the National School Lunch, Child Nutrition, and Older Americans Act Programs in terms of bonus and entitlement commodities.

Specifically, we expect the Department to charge as an entitlement commodity only those items that contribute to the meal patterns established by the Secretaries of Agriculture and Health and Human Services.

Moreover, flour, shortening, and vegetable oil should be charged against entitlement to the extent that they are used in such a fashion as to satisfy relevant meal patterns.

We expect the USDA to continue to supply as bonus commodities those items which it is currently purchasing and distributing in that fashion.

Mr. GOODLING. Mr. Speaker, I might add we in no way intend the USDA to charge against entitlement any of those items which do not meet meal pattern requirements since the Secretary determines what the meal pattern is in the first place. Otherwise the child would be paying for the commodity support and that should not be. For example, in the National School Lunch Program we do not expect them to charge against commodity entitlement; potato chips, although we produce a lot in my district, corn curls, banana chips, pickle relish,

tomato ketchup, which we went through a couple of years ago, chili sauce, pretzels, chips, and similar grain items. Is that the way the gentleman understands it?

Mr. PANETTA. If the gentleman would yield further, that is my understanding that they will, as they have, implement current practice and current practice should be as prescribed.

Mr. GOODLING. I thank the gentleman for yielding me this time.

Mr. EMERSON. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of this bipartisan effort to improve the quality and the efficiency of the Department of Agriculture's commodity-distribution program. I commend the gentleman from California [Mr. PANETTA], the gentleman from Pennsylvania [Mr. GOODLING], and the ranking member, the gentleman from Missouri [Mr. EMERSON], for their leadership in bringing this important measure before us today.

The USDA's program acquires and distributes surplus agricultural products to stabilize markets and benefit the needy. In the past I have received a number of complaints from constituents on the fairness and efficiency of the distribution of goods from this program. The legislation before us requires States to evaluate their systems for warehousing and distributing commodities. Moreover, the USDA will be required to monitor State distribution agency operations, provide information of the types and quantities of the goods to be distributed and to promulgate regulations governing delivery schedules. Hopefully, the flaws in this well-intentioned program will be fully recognized through this evaluation, and steps can then be taken to correct them.

H.R. 1340 makes several other changes in the program. It will clarify State and Federal responsibilities with regard to the provision of donated commodities to recipient agencies. The USDA has conducted a pilot program exploring two alternatives to the present distribution scheme. Both replace the value of commodities with cash assistance or commodity letters-of-credit (vouchers allowing school districts to purchase designated commodities). These exploratory efforts will continue through the 1991-92 school year.

In addition, other new avenues toward improving the program will be explored. The USDA will be required to set up at least one community food-bank demonstration project while continuing and increasing distribution through established food banks. The USDA must also develop standards with which to measure the projects ef-

fectiveness and submit annual reports to Congress on each project. Furthermore, recipient agencies will be required to "buy American" agricultural products whenever possible.

Mr. Speaker, malnutrition need not and should not be tolerated in this country. Accordingly, I urge my colleagues to join in supporting this very sensible and appropriate legislation.

Mr. FORD of Michigan. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BIAGGI. Mr. Speaker, I rise today in support of H.R. 1340, the Commodity Distribution Reform Act, as approved by the House Education and Labor Committee. This legislation is a meaningful step forward in ensuring that the commodities given to our school children and our elderly are of the highest quality and in the form most useable to the population served.

For many years, the Department of Agriculture has been hearing complaints about the commodity distribution program. These complaints have ranged from flour arriving in sacks too heavy for cafeteria workers to lift, to hamburger in packages too large to use in one meal, thus resulting in spoilage. These complaints have included bugs in rice packages, foreign matter and stems in bean cans, peanut butter that wouldn't spread and cheese that wouldn't melt. While I recognize that the Department of Agriculture is moving to eliminate these problems, I feel that this movement has been much too slow.

H.R. 1340 simply gives the Department deadlines before which they must comply with certain quality-ensuring provisions, as well as the authority to reform the commodity distribution program. This legislation also includes requirements that the Department set up an advisory council to assist in reforming the commodity distribution program and conduct a survey of the recipient agencies to determine the best package sizes and forms for the commodities.

I commend my dear friend and colleague, BILL FORD, for his leadership in this effort. Our Nation's schoolchildren and senior citizens can look forward to better quality food through his efforts.

I urge my colleagues to join me in voting for this vital legislation. Our Nation's children and elderly deserve the highest quality food. H.R. 1340 takes important steps toward ensuring this goal.

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to thank once again all who have worked to make this bill possible.

I extend my appreciation to all of them.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. DE LA GARZA] that the House suspend the rules and pass the bill, H.R. 1340, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read "A bill to improve the distribution procedures for agricultural commodities and their products donated for the purposes of assistance through the Department of Agriculture, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1340, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CHRISTOPHER COLUMBUS QUINCENTENARY JUBILEE ACT AMENDMENTS

Mr. GARCIA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2309) to amend the Christopher Columbus Quincentenary Jubilee Act, as amended.

The Clerk read as follows:

H.R. 2309

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REFERENCES.

Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Christopher Columbus Quincentenary Jubilee Act (Public Law 98-375; 98 Stat. 1257).

SEC. 2. ADDITIONAL NONVOTING PARTICIPANT.

Section 3(c) is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following:

"(2)(A) For purposes of this paragraph, the term 'country or other political entity' means any country or territory or successor political entity listed under section 212(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2707(b)).

"(B) In addition to the individuals under paragraph (1), the President is authorized and requested to invite the government of any country or other political entity recommended under subparagraph (D) to appoint 1 individual to serve as a nonvoting participant under this paragraph.

"(C)(i) Not more than 1 country or other political entity may be represented under this paragraph at any time, and, except as provided in clause (ii), the term for which any such country or other entity may be so represented shall be 1 calendar year, beginning with calendar year 1988.

"(ii) In the year in which the Commission terminates, the term of appointment under this paragraph shall end on the Commission's termination date.

"(D) The Commission shall submit to the President, on an annual basis, the name of any country or other political entity which the Commission considers appropriate, except that—

"(i) no country or other political entity may be represented under this paragraph more than once; and

"(ii) the first country to be recommended under this subparagraph shall be the Bahamas, which was the first place where Columbus landed in the course of his voyages of exploration."

SEC. 3. OFFICIAL REPRESENTATION EXPENSES.

Section 6 is amended by adding at the end the following:

"(f) In carrying out any functions or duties with respect to representatives of foreign governments, the Commission may, out of amounts available under section 7(a), expend not to exceed \$7,500 in any calendar year."

SEC. 4. INCREASE IN MAXIMUM DONATIONS ALLOWABLE.

Section 7(a) is amended to read as follows: "(a) The Commission may accept donations of money, property, or personal services, except that—

"(1) the aggregate amount of any donations which may be accepted from an individual in any year may not exceed \$250,000; and

"(2) the aggregate amount of any donations which may be accepted from a foreign government, corporation, partnership, or other person (other than an individual) in any year may not exceed \$1,000,000."

SEC. 5. APPOINTMENT OF STAFF.

Section 8(b)(1) is amended to read as follows:

"(1) appoint and fix the compensation of such additional personnel as it deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that—

"(A) not to exceed 20 staff members appointed under this paragraph may be paid out of amounts available under section 11, and any individual appointed to a position funded in such manner may not be paid at a rate in excess of the rate for grade GS-18 of the General Schedule; and

"(B) any other staff member appointed under this paragraph may be paid out of amounts available under section 7(a), and any individual appointed to a position funded in such manner—

"(i) shall be so designated at the time of such individual's appointment; and

"(ii) shall not be considered an employee of the United States other than for purposes of—

"(I) chapter 81 of title 5, United States Code, relating to compensation for work injuries;

"(II) chapter 11 of title 18, United States Code, relating to bribery, graft, and conflicts of interest; and

"(III) chapter 171 of title 28, United States Code, relating to tort claims."

SEC. 6. ADVISORY COMMITTEE MEMBERS.

Section 9(b) is amended—

(1) by inserting "(1)" after "(b)";

(2) by inserting ", except as provided in paragraph (2)," after "compensation, and"; and

(3) by adding at the end the following:

"(2)(A) Persons appointed to advisory committees under section 8(b)(2) may, while away from their homes or regular places of

business in the performance of services for the Commission, be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in Government service.

"(B) Any amount payable under subparagraph (A) shall be paid out of amounts available under section 7(a)."

SEC. 7. OFFICIAL LOGO.

(a) IN GENERAL.—Section 10 is amended—

(1) by amending subsection (a) to read as follows:

"(a)(1) For the purpose of this section, the term 'Christopher Columbus Quincentenary Logo' means the symbol or mark designated by the Commission for use in connection with the commemoration of the quincentennial of the voyages of discovery of Christopher Columbus.

"(2) The Commission may, in accordance with rules and regulations which the Commission shall prescribe, authorize the manufacture, reproduction, use, sale, or distribution of the Christopher Columbus Quincentenary Logo.

"(3) The rules and regulations under paragraph (2) shall include provisions under which—

"(A) fees may be charged for any authorization under this subsection (including circumstances under which any such fee may be waived);

"(B) any authorization granted under this subsection shall not be subject to reassignment or transfer without approval by the Commission; and

"(C) any authorization granted under this subsection may be revoked or otherwise terminated.

"(4) Amounts charged under paragraph (3)(A) shall be available to the Commission."

(2) in subsection (b)—

(A) by striking "or uses any such logos, symbols, or marks, or any facsimile thereof, or in such a manner as suggests any such logos, symbols, or marks," and inserting in lieu thereof "uses, sells, or distributes the Christopher Columbus Quincentenary Logo"; and

(B) by striking the second sentence thereof; and

(3) by adding at the end the following:

"(c)(1) Notice of designation under subsection (a)(1) shall be published in the Federal Register.

"(2) Any rules and regulations under subsection (a), and any penalty under subsection (b), shall apply only in the case of any symbol or mark for which the Commission publishes notice of designation under paragraph (1)."

(b) SAVINGS PROVISIONS.—(1) All rules and regulations issued by the Christopher Columbus Quincentenary Jubilee Commission in connection with section 10 of the Christopher Columbus Quincentenary Jubilee Act (as in effect before the enactment of this Act) shall continue in effect, according to their terms, until modified, terminated, superseded, or repealed by the Commission.

(2) No suit, action, or other proceeding lawfully commenced before the amendments made by subsection (a) become effective shall abate by reason of the enactment of this Act. Determinations with respect to any such suit, action, or other proceeding shall be made as if this Act had not been enacted.

SEC. 8. TERMINATION DATE.

Sections 11(a), 11(b), and 12(a) are each amended by striking "November 15, 1992"

and inserting in lieu thereof "December 31, 1993".

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is a second demanded?

Mrs. MORELLA. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. GARCIA] will be recognized for 20 minutes and the gentlewoman from Maryland [Mrs. MORELLA] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. GARCIA].

□ 1325

Mr. GARCIA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, 1992 marks the 500th anniversary of Christopher Columbus' landing in the New World.

In 1984, Congress established the Christopher Columbus Quincentenary Jubilee Commission and charged it with the responsibility of preparing a comprehensive program for the commemoration of Christopher Columbus' voyages of exploration.

H.R. 2309 was introduced by my distinguished committee colleague, Mr. DE LUCA, to enable the Christopher Columbus Commission to raise adequate funds from the private sector, to underwrite appropriate ceremonies for the quincentenary.

The need for increased funding arose from the recognition of the significance of the 1992 event and the Commission's desire to maximize the participation of Americans from all ethnic and racial groups.

The bill, as amended also would acknowledge the historical reality of Christopher Columbus' landing in the New World, by adding a third nonvoting member to the Commission. This member would be a representative from a Caribbean country and would join members from Spain and Italy who are already on the Commission, in recognition of their historical ties to the explorer.

I wish to note that the Congressional Budget Office has reviewed H.R. 2309 and estimates that enacting this legislation would result in no net additional costs to the Federal Government and no cost to State or local governments.

Mr. Speaker, as a member of the Subcommittee on Census and Population, I support this bill and commend the efforts of the sponsor, Mr. DE LUCA.

I therefore urge passage of H.R. 2309, and I reserve the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2309 to amend the Christopher Columbus Quincentenary Jubilee Act. Public Law 98-375 established a Commission charged with preparing a comprehensive program for commemorating the voyages of Christopher Columbus in 1492. The year 1992 marks the 500th anniversary of those voyages.

The Commission is currently authorized Federal appropriation of \$220,000, which will continue through 1992. The legislation now being considered does not request any additional appropriations. H.R. 2309 will enable the Commission to raise the private funds necessary to develop a proper commemoration without asking the Federal Government for additional funds.

The major provision of H.R. 2309 would raise the limitations on individuals and corporate donations and permit a broader and more effective use of the Commission's logo.

The proposed technical amendments would: Raise the limitation on individual and corporate donations to annual caps of \$250,000 and \$1 million, respectively; permit a broader and more effective use of the Commission's logo; provide a distinction between publicly paid staff and staff paid from private donations; eliminate the ceiling placed on the number of detailees to the Commission from other Federal agencies; permit the payment of some commission-related expenses for such expert advisers; permit an allowance of \$7,500 for expenses relating to the hosting of representatives of foreign governments; and extend the life of the Commission to December 31, 1993 in order to allow for the appropriate celebration of the second voyage of Columbus.

The last provision of this would authorize the Commission to recommend annually to the President a representative of a Caribbean country to serve as a nonvoting member of the Commission.

The amendments would not affect the present authorization in any way since all additional funds must be raised through private donations.

Mr. Speaker, as I have reviewed this bill, I find more and more reason to support it. Not because I'm of Italian ancestry and am proud of my ancestry, as we all are, but I believe that in addition to recognizing this man who was willing to forge ahead with his convictions, celebrating the quincentennial of Christopher Columbus' voyage to discover the Indies is symbolic of the adventurous spirit of all those who crossed oceans and traversed overland to reach an area where they could set up a form of government where we can live in harmony in spite of diversity, of ethnicity, culture, religion, or background. This bill allows us to rec-

ognize the creative, the adventurous, and our country where we practice our convictions and live in peace. The bill recognizes our Nation's cultural history.

Mr. Speaker, I urge my colleagues to join me in supporting this legislation.

Mr. DE LUGO. Mr. Speaker, I rise in support of H.R. 2309 which amends the Christopher Columbus Quincentenary Jubilee Act that was passed during the 98th Congress.

In brief, H.R. 2309 will help the Commission, which currently operates on a staff of only three, to increase its staffing and fundraising capabilities; and will extend the life of the Commission through December 31, 1993, to accommodate for Columbus' second voyage.

This last point is of particular interest to me and to my colleague, the Resident Commissioner of Puerto Rico, since it was on his second voyage in 1493 that Columbus landed in Salt River on St. Croix in the U.S. Virgin Islands, and on Puerto Rico. This is significant because these two locations are the only landing sites of Columbus under the U.S. flag.

After Columbus' historic visit almost 500 years ago, the Virgin Islands became a frontier of the Old World in the new and were caught up in all the tidal changes which swept over the entire world in the intervening centuries.

Now the U.S. Virgin Islands stands tall among her West Indian friends and family, a bastion of American democracy in the Caribbean. We continue to be a link between nations and people, and time and history, and we are proud to take an active role in the worldwide commemoration of the voyages of Columbus.

I must commend Mr. John Goudie, Chairman of the National Columbus Commission, and his staff for their excellent progress in seeing that the celebration will be a success.

I also wish to thank my colleagues from California, chairman of the Subcommittee on Census and Population, and my good friend from Michigan, chairman of the Postal Committee, for their expeditious handling of this bill, and their staff for their cooperation and assistance.

Mr. RODINO. Mr. Speaker, I rise in strong support of H.R. 2309, to amend the Christopher Columbus Quincentenary Jubilee Act. For a variety of reasons, both symbolic and operational, I believe that it is incumbent upon us to pass H.R. 2309 and, in so doing, to reaffirm our commitment to a proper celebration of the 500th anniversary of Columbus' voyage.

The Quincentenary of the Columbus expedition merits comprehensive and tasteful commemoration for many very important reasons. First, Columbus' voyage and landfall on what is now the Bahamian Island of San Salvador, mark the opening chapter in the history of this great Nation, and the proper commemoration of this event is important to the Nation's continuing awareness of its origins and evolution.

Moreover, I believe that Columbus' expedition represents something beyond an important historical event: it highlights the irrepressibility of the human spirit, which I believe is the very foundation of this Nation. Columbus embarked on his historic voyage in spite of the fact that its aims flew in the face of one of the

basic truths of his day: the belief that the world was flat. According to the limited knowledge of the time, Columbus and his expedition would sail a short while to the edge of the Earth and fall off into oblivion. Columbus believed in his heart that this belief was too simplistic to be accepted. He chose instead to believe the old sailor stories telling of exotic lands, open spaces, and unfathomable riches and beauty.

This country, which is justifiably proud of its frontier origins and spirit, should properly salute Columbus as not only the original, but the very definition of the frontiersman. It is that spirit of following one's intuition in spite of the conventions and skepticisms of the times, and the willingness to venture into the unknown and endure great hardships in the pursuit of expanding the breadth of human knowledge and experience, which is the very essence of this Nation. Columbus' voyage is manifestly important in both historic and symbolic terms, and I believe that there is little question that a commission vested with the proper funding and powers will sponsor a celebration which benefits something as momentous as the 500th anniversary of Columbus' voyage to the New World.

Let me now discuss why I believe H.R. 2309 will go a long way toward our goal of having a tasteful and circumspect observance of the event. As the original sponsor of the bill creating the Quincentenary Jubilee Commission, my goal has always been to have a coordinated, informative, and meaningful observance of the Columbus landfall. I have no doubt that the Commission is committed to plan the commemoration without compromising the solemnity of the occasion. However, it has become clear that the Commission is being hamstrung by the donation ceiling and the narrowness of its authority. It is important that the Commission receive donated funds and authority to carry out the mandate of the original law. There is even concern that the United States may be unable to fulfill its share of what will be a four country collaboration, with the addition of the Bahamas. This must not come to pass. Finally, since the bill is budget neutral, it ensures that the cost of a proper celebration will not be shouldered by the American taxpayers.

As the original sponsor of the Christopher Columbus Quincentenary Jubilee Act, I have a great personal interest in the quality and solemnity of the event, and I am confident that passage of H.R. 2309 will help to bring about a celebration in which we can all take pride.

Mrs. MORELLA. Mr. Speaker, I yield back the balance of my time.

Mr. GARCIA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from New York [Mr. GARCIA] that the House suspend the rules and pass the bill, H.R. 2309, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

OSCAR GARCIA RIVERA POST OFFICE BUILDING

Mr. GARCIA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1948) to designate the U.S. Post Office Building located at 153 East 110th Street in New York, NY, as the "Oscar Garcia Rivera Post Office Building."

The Clerk reads as follows:

H.R. 1948

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Post Office Building located at 153 East 110th Street in New York, New York, is hereby designated as the "Oscar Garcia Rivera Post Office Building". Any reference to such building in any law, rule, map, document, record, or other paper of the United States shall be considered to be a reference to the "Oscar Garcia Rivera Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York [Mr. GARCIA] will be recognized for 20 minutes and the gentlewoman from Maryland [Mrs. MORELLA] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, I yield myself such time as I may consume.

I would first like to take this opportunity to thank my colleague, MICKEY LELAND, chairman of the Subcommittee on Postal Operations, and ranking minority member FRANK HORTON. I would also like to express my thanks to Chairman BILL FORD and ranking minority leader GENE TAYLOR of the full committee. My colleague CHARLIE RANGEL was inadvertently left off as sponsor of this bill, but has expressed his support. I appreciate that.

This bill is to rename the Hell Gate Post Office Building located at 153 East 110th Street, New York, NY, to the Oscar Garcia Rivera Post Office Building.

The late Mr. Garcia Rivera was the first Puerto Rican elected to public office in the United States. He served in the New York State Legislature from 1938 to 1940 representing the 17th Assembly District. Mr. Garcia Rivera was not only the first Puerto Rican elected in the United States, he was also one of the first successful Latino civil rights leaders in the State. He was instrumental in the passage of antidiscrimination legislation which prohibited discrimination on the basis of national origin, race, or creed, against persons who applied for State jobs. He also sought strong legislative protection for the working people from exploitation of the workplace. He is further credited with the estab-

lishment of the Hot Meals Program in the public school system of New York.

From his little law office over the Woolworth discount store on Fifth Avenue and 115th Street, Oscar Garcia Rivera continued to inspire Puerto Rican Americans to continue to represent themselves in the legislative process.

Mr. Speaker, I believe this bill, which marks the 50th anniversary of his election, would serve as an inspiration to the young and future generations of Puerto Rican and Hispanic leaders. I reserve the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I also rise in strong support of H.R. 1948 to designate the U.S. Post Office Building located at 153 East 110th Street in New York City as the "Oscar Garcia Rivera Post Office Building."

Mr. Rivera, a Republican, was elected to the New York State Legislature in 1937. He was the first Puerto Rican elected in the continental United States. That historical election was won by a margin of 2,580 votes. Due to Mr. Rivera's tireless efforts in civil rights and antidiscrimination legislation Puerto Ricans today have become a powerful voice in both the New York State and Federal legislative process.

Oscar Garcia Rivera is also credited with the establishment of the Hot Meals Program in the public school system in New York.

A successful union organizer who was endorsed by the American Labor Party, Mr. Rivera practiced law in New York until 1967 and returned to Mayaguez, Puerto Rico where he died in 1968.

Oscar Garcia Rivera was truly an outstanding individual who championed many issues long before they were politically popular and in the early 1930's was an active labor organizer with the U.S. postal clerks union.

Mr. Rivera was a great American who fought for the rights not only for his fellow Puerto Ricans but all persons who we oppressed and discriminated against.

Mr. Speaker, I urge my colleagues to join me in support of the resolution.

Mr. GARCIA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to say to my colleague from Maryland that she is absolutely right, that Oscar Garcia Rivera was indeed a Republican, he was elected as a Republican and she in her statement made it quite clear there were certain parts, certain biographical material that I did not realize. I did not realize that he was an organizer for the postal workers.

I think it is appropriate that a postal building be named after him. So I thank my colleague from Maryland

[Mrs. MORELLA] for her research on Oscar Garcia Rivera.

Mr. RANGEL. Mr. Speaker, I rise in strong support of H.R. 1948, a bill to rename the Hell Gate Post Office Building at 153 East 110th Street as the Oscar Garcia Rivera Post Office Building. As the representative from the 16th Congressional District of New York, I am keenly aware of the good works of Mr. Rivera, and feel this honor is long overdue.

Fifty years ago, Oscar Garcia Rivera was the first Puerto Rican elected to the New York State Assembly. A revered leader in the New York Hispanic community, he served in the forefront of the fight for Latino civil rights in New York State. His civil rights legislation served as an effective vehicle for providing Hispanic-Americans and other minorities access to employment opportunities that had been denied them for so long. Attempting to fight discrimination at the root of the problem of discrimination, Mr. Garcia Rivera introduced unprecedented antidiscrimination legislation which prohibited bias on the basis of national origin, race, or creed against persons who applied for State jobs.

Oscar Garcia Rivera not only championed the rights of individuals for access to employment opportunities, but he is recognized by many as a friend of the worker. His powerful legislative initiatives established protections for the working people from unusual or unfair treatment in the workplace.

In closing, Mr. Speaker, I would like to add that Mr. Garcia Rivera serves as a role model for us all. As a result of his efforts and undying commitment, the rights of individual citizens were protected. This, Mr. Speaker, is our charge; and it is for this reason that I support this legislation. Mr. Garcia Rivera's legacy must continue to live on in the vanguard of those leaders in political rights, workers' rights and the right for individual freedoms. I hope my colleagues will join me in support of the successful passage of this legislation.

Mr. GARCIA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GARCIA] that the House suspend the rules and pass the bill, H.R. 1948.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 2309 and H.R. 1948, the two bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT AMENDMENTS

Mr. MILLER of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2629) to amend the Alaska National Interest Lands Conservation Act of 1980 to clarify the conveyance and ownership of submerged lands by Alaska Natives, Native Corporations, and the State of Alaska, as amended.

The Clerk read as follows:

H.R. 2629

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SUBMERGED LANDS

SEC. 101. Section 901 of the Alaska National Interest Lands Conservation Act (94 Stat. 2430; P.L. 96-487) is amended by striking out text of such section and inserting in lieu thereof:

"Sec. 901. (a)(1) Except as provided in paragraph (2), whenever the Secretary surveys land selected by a Native, a Native Corporation, or the State pursuant to the Alaska Native Claims Settlements Act, the Alaska Statehood Act, or this Act, lakes, rivers, and streams shall be meandered in accordance with the principles in the Bureau of Land Management, 'Manual of Surveying Instructions' (1973).

"(2) If title to lands beneath navigable waters of a lake less than fifty acres in size or a river or stream less than three chains in width did not vest in the State pursuant to the Submerged Lands Acts, such lake, river, or stream shall not be meandered.

"(3) The Secretary is not required to determine the navigability of a lake, river, or stream which because of its size or width is required to be meandered or to compute the acreage of the land beneath such lake, river, or stream or to describe such land in any conveyance document.

"(4) Nothing in this subsection shall be construed to require ground survey or monumentation of meanderlines.

"(b)(1) Whenever, either before or after the date of enactment of this section, the Secretary conveys land to a Native, a Native Corporation, or the State pursuant to the Alaska Native Claims Settlement Act, the Alaska Statehood Act, or this Act which abuts or surrounds a meanderable lake, river, or stream, all right, title, and interest of the United States, if any, in the land under such lake, river, or stream lying between the uplands and the median line or midpoint, as the case may be, shall vest in and shall not be charged against the acreage entitlement of such Native or Native Corporation or the State. The right, title, and interest vested in a Native or Native Corporation shall be no greater an estate than the estate he or it is conveyed in the land which abuts or surrounds the lake, river, or stream.

"(2) The specific terms, conditions, procedures, covenants, reservations, and other restrictions set forth in the document entitled, 'Memorandum of Agreement between the United States Department of the Interior and the State of Alaska' dated March 28, 1984, signed by the Secretary and the Governor of Alaska and submitted to the Committee on Interior and Insular Affairs of the House of Representatives, and the Committee on Energy and Natural Resources of the Senate, are hereby incorporated in this sec-

tion and are ratified as to the duties and obligations of the United States and the State, as a matter of Federal law.

"(c)(1) The execution of an interim conveyance or patent, as appropriate, by the Bureau of Land Management which conveys an area of land selected by a Native or Native Corporation which includes, surrounds, or abuts a lake, river, or stream, or any portion thereof, shall be the final agency action with respect to a decision of the Secretary of the Interior that such lake, river, or stream, is or is not navigable, unless such decision was validly appealed to an agency or board of the Department of the Interior on or before December 2, 1980.

"(2) No agency or board of the Department of the Interior other than the Bureau of Land Management shall have authority to determine the navigability of a lake, river, or stream within an area selected by a Native or Native Corporation pursuant to the Alaska Native Claims Settlement Act or this Act unless a determination by the Bureau of Land Management that such lake, river, or stream, is or is not navigable, was validly appealed to such agency or board on or before December 2, 1980.

"(3) If title to land conveyed to a Native Corporation pursuant to the Alaska Native Claims Settlement Act or this Act which underlies a lake, river, or stream is challenged in a court of competent jurisdiction and such court determines that such land is owned by the Native Corporation, the Native Corporation shall be awarded a money judgment against the plaintiffs in an amount equal to its costs and attorney's fees, including costs and attorney's fees incurred on appeal.

"(d) For the purposes of this section, the terms 'navigable' and 'navigability' means navigable for the purpose of determining title to lands beneath navigable waters, as between the United States and the several States pursuant to the Submerged Lands Act and section 6(m) of the Alaska Statehood Act."

SEC. 102. Nothing in this Act shall amend or alter any land exchange agreement to which the United States is a party, or any statute, including but not limited to the Act of January 2, 1976 (89 Stat. 1151) and section 506(c) of the Alaska National Interest Lands Conservation Act (94 Stat. 2409; P.L. 96-487), that authorizes, ratifies or implements such an agreement.

TITLE II—APPROVAL OF CONVEYANCE IN ANWR

SEC. 201. Section 1302(h) of the Alaska National Interest Lands Conservation Act (94 Stat. 2430; P.L. 96-487) is amended by redesignating the section "(h)(1)" and by adding the following new subsection: "(2) Nothing in this Act or any other provision of law shall be construed as authorizing the Secretary to convey, by exchange or otherwise, lands or interest in lands within the coastal plain of the Arctic National Wildlife Refuge (other than land validly selected prior to July 28, 1987), without prior approval by Act of Congress."

TITLE III—APPROVAL OF PUBLIC LAND ORDER

SEC. 301. The lands described in Public Land Order 6607 of July 8, 1985 (50 Fed. Reg. 130), comprising approximately 325,000 acres, are hereby included as part of the Arctic National Wildlife Refuge to be subject to and administered in accordance with the provisions of sections 303(2) and 304 of the Alaska National Interest Lands Conservation Act (94 Stat. 2430; P.L. 96-487) and other applicable statutes.

The SPEAKER pro tempore. Is a second demanded?

Mr. YOUNG of Alaska. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. MILLER] will be recognized for 20 minutes and the gentleman from Alaska [Mr. Young] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

I am pleased to join with my colleague from Alaska [Don Young], in support of H.R. 2629. This bill, which passed out of the Interior Committee by unanimous vote, would accomplish three goals.

First, title I of H.R. 2629 would end the confusion, unfair treatment, and litigation that Alaska Natives and the State of Alaska have endured by virtue of past BLM land conveyance practices. This bill reflects a consensus between Interior, the State, and the Alaska Federation of Natives as to the best resolution of this longstanding problem. I would note for my colleagues that the language is substantially similar to the provisions passed by the House in its version of the Alaska Lands Act in 1979.

Second, title II is intended to ensure that Interior's land exchange agreements related to the Arctic National Wildlife Refuge in Alaska [ANWR] must be reviewed and approved by Congress. This language is essentially the same as H.R. 3008 which I introduced along with Congressman STUBBS and Congressman DON YOUNG.

Third, title III would approve a 325,000-acre addition to ANWR by adopting the same Public Land Order as passed by the House last Congress in House Resolution 419.

Mr. Speaker, this legislation has been worked out in close cooperation with the gentleman from Alaska. I believe that it is fair to say that title I, which deals with so-called submerged lands, is a matter of significance to a good many of Mr. Young's constituents. When I first came to Congress, I was kidded about being relegated to the subcommittee on swamps. Little did I know that, 12 years later, I would be dealing with Mr. Young's rather murky underwater concerns.

I want to spend the remainder of my time discussing this legislation's effect on the Interior Department's proposed "megatrade" proposals.

The question of whether to open ANWR to oil and gas development involves a difficult evaluation of nation-

al energy needs, economic benefits, and environmental concerns.

Many Members, myself included, have reserved judgment on this issue. The Subcommittee on Water and Power Resources, which I chair, has already held four hearings on ANWR and will schedule more in the fall. We intend to be both comprehensive and fair.

Yet many months before the Fish and Wildlife Service's draft ANWR report was complete and before the Secretary's final recommendations were presented to Congress, side negotiations were already underway with selected Alaska Native groups. It is clear that the top policymakers in the Department were long ago convinced that ANWR should be opened and busy thinking of ways to convince the Congress.

The mechanism that the Department developed to leverage the opening of ANWR is by virtue of land exchange with six Alaska Native groups. As the "megatrade" process is designed, the Department would receive 891,000 acres of Native in-holdings within seven different national wildlife refuges in Alaska. In return, the Natives would get 538 million dollars' worth of bidding rights for tracts on the coastal plain of ANWR.

The Natives got something else from the Department. They got the first crack at selecting ANWR tracts during a secret "conditional auction" in an Arlington, VA, hotel on July 9 and 10.

The natives are not playing this game on their own. Each group has oil company partners, including Shell, Arco, Chevron, Standard, British Petroleum, Phillips, Conoco, Exxon, and Texaco.

Why is it that the Reagan administration—whose budget requests for additional park or refuge lands have been nonexistent—and some of the world's largest corporations are suddenly promoting the national interest in acquiring wildlife habitat in Alaska?

The answer lies, in my view, in what the oil companies stand to gain out of this deal. Although their agreements with the native groups are not public, what we know for sure is this:

The oil companies will avoid competitive bidding by virtue of negotiated access to the native private property;

The oil companies will avoid paying rents and royalties that would otherwise go to the State and Federal Governments; and

The oil companies will have the rights to accelerated exploratory drilling in the refuge and acquire data that would effectively preclude other companies from competitive bidding for the remaining tracts.

One can look through the statutes and regulations and nowhere are there procedures for closed door, invitation

only auctions of ANWR oil and gas tracts.

In my view, the Alaska Lands Act makes it abundantly clear that the 96th Congress intended the decision on development of ANWR, by virtue of land exchanges or otherwise, to be solely up to Congress.

"Production of oil and gas from the Arctic National Wildlife Refuge is prohibited," the act said, "and no other development leading to production of oil and gas" is allowed "until authorized by an Act of Congress."

The Department has testified, before my subcommittee and others, that they intend, because of political reality, to submit the "megatrade" proposals for review and approval by Congress. At the same time, the Department asserts that it somehow has complete and unilateral authority to trade away ANWR oil and gas tracts, to allow exploratory drilling, and to waive Federal and State rights to bonus bids, rents, and royalties, all without congressional scrutiny or approval.

Mr. Speaker, I do not believe that the Department's position on its authority to administratively execute the ANWR "megatrades" is justified as a matter of law or policy. However, because of the cloud that the "megatrade" process has placed on ANWR deliberations, it is important that we clarify once and for all that any decision regarding the timing or the means of developing ANWR is exclusively up to Congress.

This legislation does not by its terms block the proposed exchanges. Accordingly, I have asked the GAO to look into the 1983 Chandler Lake Agreement, a previously executed ANWR exchange, as well as to scrutinize the current "megatrade" deals. Given the nature of the process to date, the Department has a heavy burden to prove that the "megatrades" are anywhere close to being as good of a deal for the public as they are for the participants.

Mr. Speaker, I include the following article from the Anchorage Daily News, dated July 22, 1987, for insertion in the RECORD.

[From the Anchorage Daily News, July 22, 1987]

AGENCY PROPOSES ANWR LAND TRADE

(By David Whitney)

WASHINGTON.—The U.S. Interior Department has offered to trade 166,000 acres of subsurface lands in the Arctic National Wildlife Refuge for 891,000 acres of Native-owned lands elsewhere in Alaska, according to an outline of the exchange agreements released by the House Interior Committee staff Tuesday.

The proposed exchange involves about five times more acreage in the coastal plain of the refuge than the Interior Department had previously discussed in congressional hearings. The plain has been described as the most promising unexplored area for a major oil find in North America, and oil

companies are believed to be helping the Natives choose tracts in the refuge.

Exploration and development would require congressional approval. The land-exchange proposal outraged a key congressman, who said it could jeopardize congressional action to authorize development.

"These exchanges are a cynical attempt to put pressure on the Congress to vote to open the area for oil exploration and production," charged Rep. George Miller, D-Calif., chairman of the Interior water and power resources subcommittee.

"It is inevitable that the oil companies and Native corporations will demand that the Congress rubber-stamp these unauthorized exchanges because millions of dollars have been invested in them," Miller said in a statement opening the panel's fourth hearing on the arctic refuge.

"Those who believe that these unauthorized exchanges will accelerate resolution of the arctic refuge issue are sadly mistaken," Miller said.

"Continuation of these secret practices can only jeopardize any hope for reaching a consensus," Miller said.

Miller said he was ordering an investigation by the General Accounting Office of the land trades, which he said could turn into a major government giveaway to the Natives and the oil companies with whom the Natives are working in concert.

Native corporation officials said they haven't tried to hide their dealings from Congress.

"For Miller to state that negotiations have not been open is to misstate the truth," said George Kriste, executive vice president of Cook Inlet Region Inc., an Anchorage-based Native regional corporation that is a major player in the proposed land swaps.

"We've previously been up on the Hill advising congressmen and senators what the packages were going to look like," said Steve Hillard, CIRI's vice president of resources.

The final details of the land trades were worked out during a three-day closed-door meeting at an Arlington, Va., hotel. The Interior Department is expected to release more details about the exchanges, dubbed "megatrades" by critics, later in the week.

According to the summary of the deal given to Miller's staff by Assistant Interior Secretary William Horn at a briefing late Monday, the exchange involves 111 whole or partial tracts in the coastal plain, 38 of which include suspected oil-rich geologic structures.

The Native lands—holdings within seven national refuges in Alaska—were valued at \$538.7 million. The summary said the coastal plain property had a value to the Natives of \$538 million.

At previous congressional hearings, the acreage said to be involved in exchange proposals was about 33,000. The 166,000-acre figure surprised some attending the briefing.

"Frankly, we were quite surprised at the amount of land involved," said a committee source.

LAND TRADE: CONGRESSMEN WANTS A CLOSE LOOK AT PLAN TO SWAP ANWR, NATIVE TERRITORY

(By Hal Bernton)

CIRI officials said the size of the proposed trades also surprised them. However, they said the trade represented a "once-in-a-century ability" to consolidate critical Alaska refuge lands under federal control.

They said there has been no attempt to ramrod the trades through Congress. CIRI proposes an environmental study of the trade, including a full public review, according to Kriste. Then, if Congress objects, it doesn't have to approve them.

The administration said it will push for congressional approval of the land trades, although it does not believe such approval is required. Sen. Bill Bradley, D-N.J., has introduced legislation requiring congressional approval, which Miller said he will introduce soon in the House.

If the exchanges were approved, nearly a sixth of the coastal plain will have been turned over to Natives and, through them, to oil companies.

The Arctic Slope Regional Corp. received subsurface rights to 92,000 acres in the coastal plain in 1983 under an agreement in which it traded its ownership of Chandler Lake in the Gates of the Arctic National Park.

That exchange was not submitted to Congress for approval and cleared the way for drilling the only exploratory well in the refuge. Results of that test well are a guarded corporate secret known only to Chevron and British Petroleum companies, which have a contractual arrangement with the regional corporation.

Miller blasted that deal Tuesday as he released documents showing that the 101,272-acre Chandler Lake property had a net value of about \$5.9 million. Other documents he released showed that the estimated mineral value of the 92, 160-acre tract corporation received in the arctic refuge was \$388.5 million.

"The Chandler Lake exchange, conceived in private and executed without congressional scrutiny, constitutes a \$382 million gift to one Native corporation and their oil company partners," Miller said.

"The Chandler Lake exchange raises many questions, not the least of which is (whether) the 'megatrades' (are) just as seriously flawed," Miller said.

Miller said he was asking the GAO to investigate both land-exchange deals.

"In addition, GAO will also investigate the disparity in value between what the federal government gave up and what it received and how the disparity is justified.

"I take these actions very reluctantly," Miller said.

"Many members of Congress, including myself, have not formed a final opinion whether the arctic refuge should be opened for development," he said.

"I intend to continue with (an) open, deliberative process and I will respond very negatively to any effort by the administration to shortcut the process by cutting sidebar deals that shortchange the federal government and the state of Alaska," he said.

Alaska, which dropped out of the land-exchange talks earlier this year, would lose potential revenue from development of mineral rights traded to the Natives.

The summary released by the Interior subcommittee staff discloses the amounts and values of property the Native corporations are trading but not the acreage they would receive in the coastal plain.

However, because the exchanges would be dollar-for-dollar, the summary provides an indication of relative participation by the Native organizations. Based on the summary, it appears that the Doyon Regional Corp. and Native Lands Groups, an association of village corporations and CIRI, are the two heavy players in the proposed deal.

Native Lands Group is trading about 298,000 acres—233,000 in the Yukon Delta

National Refuge and smaller portions from the Alaska Maritime and Kenai refuges—valued at \$184 million. A Miller aide quoted Horn as saying that the Native Lands Group is working with Conoco and Exxon oil companies.

Doyon is trading about 220,000 acres from the Innoko, Kanuti and Nowitna national refuges valued at \$121.7 million. It is working with Atlantic Richfield Co., which also has an arrangement with the Gana-Yoo corporation involving 56,000 acres offered for trade at a value of \$35 million.

Other Native corporations involved are:

Ahkiok-Kaguyak, 115,000 acres in the Kodiak refuge valued at \$74.9 million. It is working with Shell Oil Co.

Koniag, 112,000 acres in the Kodiak refuge valued at \$77.4 million. It is working with Chevron, British Petroleum and Phillips Petroleum companies.

Old Harbor, 90,000 acres in Alaska Maritime and Kodiak refuges. It is working with Texaco.

If the trades are agreed to by the Natives and approved by Congress, 503 tracts in the coastal plain—or 85.5 percent of the total—would remain for competitive leasing.

A slightly higher percentage of tracts over suspected oil-rich geologic structures still would be available. That suggests that the Natives may have been more speculative in some of the proposed deals by looking to somewhat less promising areas.

A committee source said that none of the areas in the coastal plain where calving by the Porcupine caribou herd is most prevalent were involved in the land exchange proposals.

The source said that it appeared that most of the land to be exchanged is concentrated in the northeastern quarter of the coastal plain where large geologic structures are thought to exist.

Horn said last week that the negotiations for the land trades involved only the Natives and not the oil companies, who were not at the table or in the room.

But Miller said that the Natives were directed by the oil companies.

"The exchanges are not contracts between Native corporations and the federal government," Miller said. "They are, in reality, contracts between selected oil companies and the Interior Department. Thus we have no guarantee that the interests of the Native groups are being protected."

Horn could not be reached for comment Tuesday.

He has maintained, however, that the land trades give the government an opportunity to obtain Native in-holdings—property they own that is surrounded by federal refuges—at virtually no cost.

Some on Miller's subcommittee suggested in earlier hearings, however, that it would be cheaper for the federal government to use its proceeds from oil development to buy the holdings from the Natives rather than to trade away the potential for future oil revenues to acquire them.

□ 1340

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2629.

As the sponsor of this legislation, I would like to commend the gentleman from California and the distinguished

chairman of the full committee, the gentleman of Arizona, for their assistance in passing this legislation. I appreciate their assistance and leadership on this issue.

For the past 4 years, we have attempted to finally resolve a long-standing dispute over the ownership of submerged lands in Alaska. Beginning in 1983, the State of Alaska, the Department of the Interior, and Alaska Native groups have been in agreement over the proper method to resolve this controversy. Since that time, the Department of the Interior has been following the agreed-upon survey rules. The rules have been unsuccessfully challenged in Federal courts by two environmental groups.

This legislation would ratify the current Federal policy and bring needed certainty to land conveyances involving submerged lands. For the State of Alaska and Alaska Native groups, it means that the full land entitlements promised in the Alaska Statehood Act and the Alaska Native Claims Settlement Act will be met.

At the same time, hundreds of potential lawsuits will be avoided by the passage of this legislation. This legislation will not result in increased Federal expenditures and is supported by the administration.

Mr. Speaker, in addition to ratifying the survey rules, the legislation re-states that any proposed land exchange involving land in the coastal plain of the Arctic National Wildlife Refuge will require congressional approval. I support this requirement. However, I strongly believe that these proposed exchanges will receive congressional support and approval once the Congress receives all of the facts. The proposed exchanges would add over 800,000 acres to Alaska national wildlife refuge lands and represent the only method of acquiring prime wildlife habitat, which is now in private ownership.

Also, it is important to note that the legislation would preclude conveyance of lands within the coastal plain. While the committee takes no position of the authority of the Secretary to make withdrawals of areas under selection, it is my view that these actions may well become necessary and advisable in cases where villages would otherwise have to take land selection entitlements far away from existing villages.

Finally, the bill would ratify public land order 6607 which adds 325,000 acres of relinquished land to ANWR. This land has been previously relinquished by the State of Alaska.

Approval of such withdrawals are required by section 1326 of the Alaska Lands Act, the "no more" clause, which prohibits certain executive withdrawals unless approved by Congress within 1 year.

Mr. Speaker, this bill resolves several land issues in Alaska in a fair and responsible manner. For these reasons, I urge my colleagues to support this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of H.R. 2629 as reported by the Committee on Interior and Insular Affairs.

This is not the first time that the issue dealt with by this bill has come before the House.

In the last Congress alone we twice acted to forestall a deluge of litigation that the State of Alaska said would be forthcoming if the State was not granted relief from the statute of limitations in section 901 of the Alaska Lands Act.

That statute of limitations, I might add, was initially embodied in that act by the Senate at the request of the State itself. The corresponding section of the House-passed Udall-Anderson bill did not include such a statute of limitations—in fact, it rather closely resembled the bill now before us so far as concerns the treatment of submerged lands.

In any event, today we have an opportunity to dispose of this matter in a more complete way and in a way that does in fact essentially return to the provisions of the Udall-Anderson legislative version of anilca.

In my opinion, this will be an improvement in the Alaska National Interest Lands Conservation Act as it now stands, and the gentleman from California, Mr. Miller, deserves congratulations for the leadership he has shown on this, especially for broadening the scope of the bill so that it will further the protection of wildlife values and will assure that decisions about the coastal plain of the Arctic National Wildlife Refuge will be made by the Congress and not through exchange deals negotiated behind closed doors.

Mr. Speaker, there is a need for still more improvements in the Alaska Lands Act, and I wish that such improvements could also have been included in the bill before us.

The Interior Committee is presently considering one such important improvement, namely the repeal of the provisions that constrain the Forest Service from proper management of the Tongass National Forest and that take the funding for that management out of the appropriations process. And there are numerous other things that should also be done to strengthen and improve the Alaska Lands Act which I wish were before us today.

However, the bill before us, while not going as far as I would have wished, is an important and worthwhile measure. I again commend the gentleman from California for bringing it forward, and I urge its passage by the House.

Mr. JONES of North Carolina. Mr. Speaker, the committee on merchant marine and fisheries which I chair is cooperating with the leaders of the House Interior and Insular Affairs Committee so that H.R. 2629 can be considered and approved by the House today.

As reported from the Interior Committee, H.R. 2629 contains provisions within the jurisdiction of the Merchant Marine and Fisheries Committee. I have asked that the bill be sequentially referred to the Committee on Merchant Marine and Fisheries to confirm our jurisdictional rights but we are not holding the bill nor taking action in committee on it; instead we are permitting its consideration today without delay.

Today's bill contains a provision virtually identical to language in H.R. 3008, a bill jointly referred to the Merchant Marine and Fisheries Committee and the Interior and Insular Affairs Committee. This language prohibits the Department of the Interior from completing land exchanges involving the Arctic National Wildlife Refuge without prior congressional approval. Our committee has jurisdiction over fisheries and wildlife generally, including refuges. A proposed land exchange would give to certain Alaskan native corporations oil and gas development rights in the Arctic National Wildlife Refuge; the corporations, in turn, would convey to the Department of the Interior substantial inholdings found in refuges elsewhere in Alaska.

A second provision in the reported bill adds 325,000 acres of public land to the Arctic National Wildlife Refuge. If this language were introduced as a separate bill, I would maintain that my committee should obtain an original joint referral. Since it is an amendment to H.R. 2629, a sequential referral of the reported bill to my committee is warranted.

Finally, I note that the primary purpose of the bill involves the conveyance of certain submerged lands in the State of Alaska. Members should be aware that these provisions may have a major impact on National Wildlife Refuges in Alaska. If native corporations relinquish their claims for certain submerged lands, they can then select compensating acreage from uplands on adjacent Federal property. In actuality, many of these adjacent properties are within the National Wildlife Refuge System. We could see substantial and important portions of refuges subject to the new selections by the native corporations. If this bill is enacted, my committee will closely oversee how the implementation of the law affects refuges in Alaska.

At this point, I submit a copy of my letter to the Speaker on this subject to be printed as part of the debate.

COMMITTEE ON
MERCHANT MARINE AND FISHERIES
Washington, DC, July 30, 1987.

HON. JIM WRIGHT,
The Speaker, House of Representatives, H-
209, The Capitol, Washington, DC. 20515
DEAR MR. SPEAKER: On June 8, 1987, Congressman Don Young introduced H.R. 2629,

a bill involving the conveyance of certain submerged lands in the State of Alaska. That bill was referred to the Committee on Interior and Insular Affairs. On July 23, 1987, Congressman George Miller introduced on behalf of himself, Mr. Studds, and Mr. Young, H.R. 3008, a bill prohibiting the Secretary of the Interior from executing any land exchanges involving the Arctic National Wildlife Refuge without prior Congressional approval. H.R. 3008 was jointly referred to the Committee on Merchant Marine and Fisheries and the Committee on Interior and Insular Affairs.

On July 29, 1987, the Committee on Interior and Insular Affairs held a markup for H.R. 2629 and adopted an amendment in the nature of a substitute which included, among other things, language prohibiting land exchanges involving the Arctic Wildlife Refuge without prior Congressional approval. Thus, the version of H.R. 2629 as ordered reported by the Committee on Interior and Insular Affairs contains language which is virtually identical in its scope and impact to H.R. 3008, a bill previously jointly referred to the Committee on Merchant Marine and Fisheries.

Moreover, H.R. 2629, as ordered reported by the Committee on Interior and Insular Affairs, includes a provision adding 325,000 acres of public land to the Arctic National Wildlife Refuge. In a letter to Chairman Udall dated March 14, 1979, Speaker O'Neill set forth certain general referral rules that he intended to follow regarding bills affecting or creating units of the National Wildlife Refuge System. In particular, page 3 of that letter delineated various scenarios in which either joint or sequential referrals would be in order for the Committee on Merchant Marine and Fisheries involving bills affecting wildlife refuges. I still believe that some of the referral guidelines enunciated in that letter are inequitable when applied to the jurisdictional interests of this Committee over those of the National Wildlife Refuge System. However, I would contend that, at a minimum, the March 14, 1979 letter supports a request for a sequential referral of a bill like H.R. 2629 as reported, which expands the size of an existing National Wildlife Refuge. Any contrary conclusion would seriously undermine the jurisdictional interests of the Committee on Merchant Marine and Fisheries over the Wildlife Refuge System as recognized in Rule X, Clause 1(n)(4) of the Rules of the House of Representatives. I, therefore, believe that my request for a sequential referral of a bill adding acreage to the Arctic National Wildlife Refuge is clearly within the referral guidelines laid out in Speaker O'Neill's letter.

In summary, H.R. 2629, as reported, should be sequentially referred to the Committee on Merchant Marine and Fisheries. It not only contains a provision virtually identical to one previously jointly referred to this Committee (H.R. 3008) but also adds acreage to a National Wildlife Refuge, an event which Speaker O'Neill's March 14, 1979 letter indicates would serve as the basis for a sequential referral.

As discussed in the notes accompanying Rule X, Clause 5 of the Rules of the House of Representatives, it has been the practice of the Speaker since January 5, 1981, to consider the text of bills as ordered reported for purposes of making a sequential referral to another Committee. I believe that H.R. 2629 falls squarely within this rule. I am interested in expediting the House's consideration of H.R. 2629 and do not desire to seek

undue delays as the result of the request for a sequential referral. I would, therefore, be willing to consider any constructive procedural alternative to be negotiated between my Committee and by the Committee on Interior and Insular Affairs which would enable the bill to be considered by the House prior to the August recess.

With kind regards, I am,

Sincerely,

WALTER B. JONES,
Chairman.

Mr. MILLER of California. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from California [Mr. MILLER] that the House suspend the rules and pass the bill, H.R. 2629, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2629, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 27 FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION RECAPITALIZATION ACT OF 1987

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 236 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 236

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (H.R. 27) to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forbearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal home loan bank system, all points of order against the conference report and against its consideration are hereby waived, and the conference report shall be considered as having been read when called up for consideration.

The SPEAKER pro tempore. The gentleman from Florida [Mr. PEPPER] is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, this rule provides for the consideration of the conference report on H.R. 27, The Competitive Equality Banking Act of 1987, with 1 hour of debate equally divided between the chairman and ranking majority member of the Committee on Banking. It also provides that the conference report shall be considered as having been read. The rule waives all points of order against the conference report and against its consideration.

Mr. Speaker, this conference report represents many hours of intense negotiations, difficult choices and compromises. The final product in my opinion is good. It resolves many important issues that for many years for one reason or another have not been addressed. The major issues contained in this conference report include: The closing of the nonbank bank loophole except for those that were in operation on or before March 5, 1987; the placement of 1 year moratorium on the ability of banks to sell securities, insurance or real estate; the recapitalization of FSLIC at \$10.825 billion with an annual net borrowing limit of \$3.75 billion; the establishment of a forbearance system to keep well-managed but troubled financial thrifts open; the extension of title I and title II of Garn-St Germain giving regulators the authority to arrange interstate mergers of failing banks with assets of at least \$500 million; and the establishment of an expedited funds availability schedule to facilitate a bank customer's access to his money.

Mr. Speaker, this legislation is extremely important to the future of our banking and financial service industries for two very critical factors. First, it recapitalizes our savings and loan industry just in time to prevent depositors from losing faith in these institutions and thus in the safety of their money. Title III of the conference report has been aptly described as emergency legislation needed to deal with a severe crisis. Currently, FSLIC has a negative net worth and hundreds of thrifts are insolvent. Savings and loans are losing \$6 million a day. This legislation will restore the public's confidence in the thrift industry, an industry which has been so valuable to the economic growth of our Nation. Second, the closing of the nonbank bank loophole and the moratorium on expanded powers for banks provides Congress with an opportunity to determine the future direction and scope of the banking/financial service industries.

In this regard, I would like to make the following observations. This conference report contains language

which states that it is the intent of Congress through its respective banking committees to review the restructuring needs of the financial and banking laws. During the Rules Committee hearing on this conference report I engaged Chairman St GERMAIN in a colloquy on this subject. I was assured by him that his committee would be holding hearings on the topic of expanded powers for the banking and the financial service industries. In fact, this legislation was partially designed to force the various participants into discussing methods in which the laws could be modified to increase the availability of financial services to the people.

This reexamination is truly needed. Since the mid-1970's the separation of commerce and banking has been crumbling. The widely used money market accounts of security firms, the advent of nonbank banks, and the fact that this legislation permits security firms to purchase failing savings and loans with assets over \$500 million clearly demonstrates that the distinction between commerce and banking continues to erode. Let us take a glimpse at the intrusion of the security industry into traditional banking territory. From 1966 until 1986 security firms have gone from a position where they provided only \$0.8 billion of commercial loans to \$78.5 billion and consumer deposits in money market accounts of \$3.7 billion to \$292.1 billion. I make these observations and cite these statistics without any negative connotations. In fact, I believe the options and the choices available to the consumer as a result of this competition are extremely valuable. I just want to illustrate the point that an irreversible change is rapidly occurring in the delivery of financial services. We in Congress must not try to turn the clock back, but rather, provide for financial deregulation within some type of framework. Today, banks are too constrained by Glass-Steagall while other financial service companies continue to offer more and more banking services to their customers. Let us in the next year develop legislation which will permit banks and financial service companies to compete on a level playing field. If we are going to allow security firms to operate banks and savings and loans, then banks and savings and loans should be able to operate security firms. I am confident that Congress can develop a set of disclosure rules and regulations that will protect the public interest and offer the financial service's consumer more and better services.

Mr. Speaker, this rule allows an extremely valuable omnibus banking conference report to receive orderly consideration on the floor of the House. I strongly urge my colleagues

to vote for the rule and the conference report.

□ 1350

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the able chairman of the Rules Committee has explained the rule and the provisions of the conference report. I support it.

Mr. Speaker, it has been a long and winding road this bill has traveled to reach this point. The issues involved are many and the compromises reached in this conference report probably do not entirely satisfy any of the parties who have worked on this bill over the past several years. Nevertheless, the conference report is acceptable and should be approved by the House today. This rule merely expedites its consideration so it can be sent to the President for his signature. Members should be aware that the final changes to the conference report last week will result in the President's approval and signature. Thus, we are at last at the end of the road on this important bill.

Mr. Speaker, I ask for a "yes" vote on the rule and a "yes" vote on the conference report. While I would hope some of the provisions in this conference report will be modified, it should be approved now because of the protection it provides for savings and loan depositors and taxpayers, and because it strengthens the Federal Savings and Loan Insurance Corporation and the savings and loan industry, and gives the banking industry a chance to do some things for which they had hoped.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Tennessee [Mr. QUILLEN] and rise in strong support of the rule on the conference report to H.R. 27.

I know that my colleagues are well aware of the serious problems facing the Federal Savings and Loan Insurance Corporation fund. It is estimated that FSLIC is losing \$10 million a day, and according to the GAO, FSLIC was at least \$6 billion in the red at the end of 1986. The situation has become even more critical over the past 6 months. We need to move forward on this legislation.

The report represents a true compromise reached with the administration. Until last week, the message from the White House was very clear. The President would veto H.R. 27 unless certain modifications were made by the conferees. The administration originally asked for \$15 billion and then \$12 billion for recapitalizing the fund.

The administration objected to title I, which closes the nonbank bank loophole.

Last Wednesday night the conferees agreed to a compromise which: First, increases the FSLIC recapitalization amount to \$10.8 billion; second, sunsets some of the regulatory forbearance provisions when the financing corporation makes its final net new borrowings; and third, permits any financial or commercial concern to acquire an insolvent savings and loan association with assets of \$500 million or more.

This compromise made possible by the active involvement of Secretary of the Treasury Baker and real give-and-take on all sides assures Congress that the President will not veto H.R. 27. The real winners will be the taxpayers who will not be faced with paying for a massive bailout of the savings and loan industry.

Mr. Speaker, I urge adoption of the rule.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois [Mr. ANNUNZIO].

Mr. ANNUNZIO. Mr. Speaker, I thank the distinguished chairman of the Rules Committee for yielding this time.

Mr. Speaker, I rise in strong support of the conference report on H.R. 27, the Competitive Equality Banking Act of 1987.

Although this legislation is generally referred to as the recapitalization of the Federal Savings and Loan Insurance Corporation [FSLIC], in reality the bill is far broader than that one subject area. The bill contains 12 titles, including the long-awaited and much needed legislation dealing with check holds, or the amount of time a financial institution can hold a depositors' check before making those funds available to the depositor. This may well be the most significant consumer legislation that will be enacted by the 100th Congress. The check hold section of the legislation will provide that consumers will soon be able to get access to their check deposited funds on the next day following the deposit provided the check is drawn in the same general area where the deposit was made. A slightly longer period will prevail on checks that were drawn in another area.

In addition, the legislation contains a significant title offered by the Senator from Illinois [Mr. DIXON], which will allow agricultural banks to write off farm losses over a 7-year period rather than to write down the loss immediately. This feature will help revitalize banks in agricultural areas and will go a long way toward helping provide new funding for America's farmers.

But the title of the legislation that has received the most publicity is, indeed, the recapitalization of the Fed-

eral Savings and Loan Insurance Corporation. I am not totally happy with the provisions of that section, but it is important that we get the legislation on the statute books as quickly as possible. Under the conference report we are taking up today, the total amount of the recapitalization will be \$10,824 billion. That is a figure more than double the \$5 billion voted by this Chamber. If time were not of such a critical nature in the recapitalization of the FSLIC, I would have fought much harder to reduce the \$10.8 billion funding level. But time is a luxury we do not have. Because of the widespread media attention paid to the savings and loan situation, there is a fear that unless the recapitalization is accomplished quickly there could be runs on a number of savings and loans. This coupled with the threat of a Presidential veto, which would have added weeks if not months to the legislative process, has persuaded me to go along with the higher figure. It is a compromise that I make reluctantly, but one that I make in the interest of resolving a serious problem.

It is my belief that if the President had vetoed the legislation containing a lower recapitalization amount, there would be enough votes in both Houses to override the veto. But I am not certain that would be the type of victory that is needed at this point. With both Houses scheduled shortly to adjourn for a month, it would have been the end of the first week in September before we could have even begun the process of overriding the veto. And if the veto were sustained, it would have required additional weeks to write new legislation.

Time and common sense won out in my decision, Mr. Speaker, and I am glad that we are now on a fast track toward recapitalizing the FSLIC.

I would hope that once the FSLIC begins to receive the money for the recapitalization that the agency does not go on a spending spree. Great care must be taken in making decisions on whether or not to close a savings and loan. No institution should be closed where there is a possibility that with a little bit of work the institution can be saved. This is particularly true in smaller communities across the country where the loss of a financial institution could have serious effects. When an institution is closed, jobs are lost, lives are affected, and great economic strains are placed upon the people of the community. I urge the FSLIC to work to save institutions not to close them solely because the money is available for funerals.

In closing, I wish to commend Chairman ST GERMAIN and the ranking minority member, the gentleman from Ohio [Mr. WYLIE] for the outstanding job that they did in bringing this conference report before us today.

I also want to pay special tribute to the staff of the Committee on Banking, Finance and Urban Affairs for the incredible job that it did in doing the technical work needed to bring this bill to the floor. The staff worked long hours into the night and on more than one occasion gave up its weekends to work on the legislation. I want the staff to know how much I appreciate their efforts.

Mr. Speaker, the conference report on H.R. 27 is a good report. With time it may well be judged a great legislative effort. I urge all Members to support the conference report.

□ 1405

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Speaker, I am the first to realize that there is a real crisis for the Federal Savings and Loan Insurance Corporation and we must provide a recapitalization plan immediately. But with that in mind, I reluctantly rise in opposition to this rule.

I would like to read a quote that was sent to those of us who served on the conference committee from Treasury Secretary Jim Baker. He said in a June 22 letter:

In our view the House of Representatives should not roll over to accept amendments it has never considered, especially since concurrence in all likelihood means the end of any hope for significant banking legislation in the 100th Congress.

Mr. Speaker, I ask what is it that has changed since that letter? First, the House conferees did roll over and accept the Senate's protectionist amendments. Second, the conferees agreed to increase the FSLIC recapitalization level to \$10.824 billion, which is more than double what we in the House of Representatives voted to approve.

As my colleagues may recall, efforts to raise that recapitalization level beyond \$5 billion failed 3 separate times in the House Committee on Banking, Finance and Urban Affairs, and right here on the House floor by a vote of 258 to 153. The conference report, unfortunately, in no way resembles H.R. 27 as it was passed by the House on May 5.

The conference report contains permanent and substantial changes in existing banking laws that as the Treasury Secretary stated have never been considered by this House. For instance, title I of this legislation would impose an unprecedented 7-percent annual growth cap on limited service banks. This is not a moratorium like title II. It would permanently change the legal status and business activities of limited service banks. Many of these institutions are owned by commercial firms such as Sears Roebuck and J.C. Penney. They exist because

they are meeting the needs of consumers.

The restrictions contained in title I will severely inhibit their operation and will eventually result in the loss of thousands of jobs.

Title II is a convoluted and haphazard attempt by various parts of the financial services industry to protect their markets from healthy competition at the expense of consumers and businesses.

The moratorium is also exclusively focused on commercial banks. No restraints would be placed upon securities firms or insurance companies, many of which now offer fully integrated commercial and investment banking services.

Moreover, Mr. Speaker, it is questionable whether the moratorium will really expire next March. Experience suggests that once this legislation is approved the industries that stand to benefit most from the moratorium will be working actively to extend it indefinitely.

This regressive and punitive moratorium will only discourage the real estate, insurance, securities, and banking organizations from working together to develop a progressive legislative package that will benefit all financial service providers and the consumer.

As my colleagues can see, Mr. Speaker, H.R. 27 is highly controversial. First, the conferees chose to defy the overwhelming sentiment of the House for a \$5 billion recapitalization plan. Then they chose to burden the FSLIC bill with a series of prohibitions that will seriously hinder efforts to strengthen and modernize our Nation's banking laws.

I think the gentleman from Rhode Island, Chairman ST GERMAIN, stated it best when he stated:

These issues are too important to be acted on without hearings, debate and votes within the committee and on the House floor. The House should have an opportunity to work its will on each of these issues.

Therefore, I urge my colleagues to follow Chairman ST GERMAIN's advice and reject this bill. Let us encourage the Rules Committee to bring to the floor a new rule making in order the FSLIC recapitalization provisions. Then we should send the remainder of the provisions back to our Committee on Banking, Finance and Urban Affairs where they can be fully considered and debated and brought to the floor under the normal legislative procedures of this House.

Mr. PEPPER. Mr. Speaker, I yield 3 minutes to the able gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I rise in support of the rule which will permit Congress to work its will, indeed. We have labored to provide this package of financial institution policy. It deserves to be considered and debated.

Mr. Speaker, this measure, H.R. 27, is a major victory for Congress. We have forced the administration to come down from the mountain of a \$15 billion, no-strings-attached bailout to agree to a responsible bill that reassures Congress in the debate on how our financial sector should operate and be structured in today's economy. It would not have been possible without the effective and positive leadership of the respective chairmen, Mr. ST GERMAIN, of the House and Mr. PROXMIER, of the Senate and the ranking minority members, Mr. WYLIE and Mr. GARN. They deserve our praise and more importantly our support.

Mr. Speaker, too often in the past few years, Congress has been circumvented in the process and debate on deregulation. Rather than acting and developing a sound national policy, we have been forced to react to the decisions of unelected bureaucrats and judges. This has occurred time and time again from telephones to trucking and airline deregulation. As my colleagues know, this administration-led piecemeal approach has been a rocky road.

It may all work out in the long run but today there is uncertainty, lost consumer trust, company closures and growing demands for deregulation. That's a gamble we can't take in the financial marketplace.

H.R. 27 gives us a chance to avoid the pitfalls. This bill closes the regulator-opened nonbank bank loophole and bars other regulator attempts at deregulation for the short term. This bill is not, however, the conclusion of a debate, but the beginning. H.R. 27 gives Congress and, in effect, the American people the opportunity to consider in a national dialog the course we should set for our financial industries for years to come. Clearly, this is a monumental task but it is one that must be done and must be done here in open debate on the floor, not by a small clique of Federal regulators meeting in private.

I want to urge my colleagues to support H.R. 27. This bill meets the immediate needs of the financially strapped thrifts and their depositors and sets the stage for future action. But I want to urge my colleagues to go beyond that and to begin to consider the deliberations that must follow.

The administration is already trying to frame that debate by endorsements of the so-called mega-banks styled after the Japanese and European models. This policy will override five decades of the positive American banking experience which has served our pluralistic society so well. It will violate all of our protections for healthy competition. Antitrust laws, rules preventing collusion, and conflicts of interest will be lost—all in the name of a competition called to the

tune of nations that have absolute Government control of their banks. Imitation may be the highest form of flattery but what we need is competition not imitation. U.S. F.I. that face risk and not seek absolute government insurance because they are simply too big to fail without adversely impacting the total world economy. With 20,000 thrifts, banks, and credit unions that have evolved to serve our Nation and the American people so well should not be permitted to become a sacrificial lamb to our trade deficit. Rather, these institutions should be used to pump life into the U.S. economy and help turn around that deficit through maintaining the viability of American business and American entrepreneurs. With the proposed regulators super or mega-bank, we lose one of our major economic strengths—entrepreneurship. Super megabanks dedicated entirely to only certain industries have a financial interest not to finance spin-offs and new businesses. As a result, major important American new firms such as Control Data and Cray Computer would not likely be in existence today to compete domestically and internationally.

We cannot be straitjacketed by these narrow administrative parameters. This is not some grand experiment into which we can lightly enter. The decisions we must make will have far-reaching ramifications which must be addressed. Any future banking legislation should build on the firm foundation that past 50 years of experience has established. The integrity of deposits and the insurance fund must be maintained and the wellspring of financial assistance to American entrepreneurs. The heart of our economic promise must be maintained.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. PARRIS].

(Mr. PARRIS asked and was given permission to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, I rise in support of the conference report on H.R. 27.

Mr. Speaker, I support the conference report on H.R. 27. This is the first comprehensive banking legislation that we have had in nearly 5 years, and we have been driven to this point because of our need to recapitalize the Federal Savings and Loan Insurance Corporation. Please allow me to summarize my support of this legislation.

FSLIC RECAPITALIZATION

The most important aspect of this legislation is its provision to recapitalize the FSLIC. In October 1985, I took to the well of the House to express my concern about the dangerously low reserve level of the fund. Again, in January 1986, I spoke on the House floor about the urgent need to inject more dollars into the FSLIC. At that point I

estimated that the projected losses to the fund would be nearly \$25 billion. Many disputed that figure, but as time has progressed, that loss estimate is now a reality, if not now on the low side. Some would suggest, and I think rightly so, that the projected losses to the FSLIC could be \$40 billion. In the summer of 1986, the Federal Home Loan Bank Board [FHLBB] proposed a recapitalization plan that would infuse \$15 billion into FSLIC through bond issues. This coupled with FSLIC's annual income over 5 years, would provide FSLIC with \$25 billion over 5 years—enough to cover the projected losses. We came close to passing this legislation in the 99th Congress, but failed to because extraneous issues prevented the House and Senate from reaching agreement on the legislation. That was unfortunate, and it was a failure of the House and Senate to act responsibly. As it turns out, that failure to reach a compromise in October 1986 will now cost the industry, and maybe the taxpayer, another \$2.5 billion.

In January of 1987, everyone looked forward to an expedited passage of FSLIC legislation. Unfortunately, other issues clouded this scenario. The Senate used the FSLIC bill to address other banking issues, and the House delayed—eventually adding forbearance legislation, and approving a much smaller recap amount.

We have meandered through the legislative process and have arrived at a FSLIC recap figure of \$10.824 billion. That might seem like a curious amount, but allow me to explain the reasons the conferees arrived at this figure.

The conference was faced with a choice of the House plan, a 2-year \$5 billion recap, or a Senate 2-year \$7.5 billion solution. Instead, the conferees agreed upon an \$8.5 billion FSLIC recap. The number was raised by 1 billion because the Senate conferees asked for this in light of the conference decision to address the need for a solution to restoring the secondary reserve.

What is the secondary reserve you ask? The secondary reserve is a fund that was established by the Congress in 1962 to insure that FSLIC reserves were adequate in light of the growing number of thrifts at that time. By the mid-1970's the Congress felt comfortable enough that the primary reserve was adequate that the payments made to the secondary reserve could now be returned to the institutions. This continued until the early 1980's when the payments were discontinued because of the declining primary reserve. Since that time institutions with equity in the secondary reserve have carried this on their balance sheets expecting repayment. When the GAO declared that FSLIC was technically insolvent earlier this year because of the expect-

ed losses that FSLIC faced, the secondary reserve was "extinguished." Thrifts with equity in the secondary reserve have thus been forced to write this off of their balance sheets, much to their dismay.

The conference, and my self included, felt that it was appropriate to compensate these institutions in some fashion. The compromise that I helped draft would return the secondary reserve over a 5-year period to those institutions in the form of credits to their special assessments to the FSLIC. That is why the conference has decided to include \$825 million in its FSLIC recap amount.

Now the question—why have we gone to the \$10 billion? In sum, because the President would have vetoed this bill for providing anything less than that. The President is absolutely justified for doing so. A higher recap amount is imperative and necessary to begin to solve this crisis.

Unfortunately, the conference has retained the annual cap on borrowing authority for the FSLIC at \$3.75 billion. Basically, this legislation is now a 3 year plan that will allow over \$3 billion a year to be borrowed for that 3-year period. Added to this will be FSLIC's annual income, estimated at \$1.8 billion a year. Subtract from this, however, the interest on the bonds, the secondary reserve credit, lack of interest on the primary reserve, and the phase out of the special assessment, and I estimate that FSLIC will have something in the nature of \$4.5 billion available to it each year.

Is this enough for the FSLIC to get us out of this crisis? Most likely it will not be. Is it better than nothing? The answer is yes.

Let me briefly discuss the magnitude of the crisis. Currently there are 461 institutions that are GAAP insolvent, having \$125 billion in assets. There are, however, another 281 institutions that are not technically insolvent, but have either negative earnings, or earnings less than 0.5 percent. This group has \$146 billion in assets. Combined we have nearly 700 institutions that are either insolvent or are in a very weak capital and earnings position right now. As one can see, this is a significant crisis, that may require greater assistance than the industry alone can supply. I regret to say that we could well be back here asking for additional FSLIC borrowing authority in a year.

As I mentioned earlier, our failure to pass this legislation last year has cost us \$2.5 billion since last October. The daily losses are now running \$10 million a day, and that is why it is so imperative that we pass this legislation now.

Let me conclude by saying that I support this legislation because it will provide the urgently needed dollars

that FSLIC must have in order to close the "brain-dead" thrifts that are accruing losses daily. I will caution fellow members, however, that this is not the last we will hear of the FSLIC crisis. This Congress must in the near future search for alternative solutions for thrift problems. If the losses climb so high that the industry alone will not be able to rescue itself, then the Congress will be forced to address a comprehensive alternative. I say, let's begin that process now so that we don't take action, driven by a crisis, that would not really solve the problem. I thinking of a merger of the two funds—that would only cover for a short term the true losses, and I want to avoid that.

Again, I urge my colleagues to support this legislation so that we can give the FSLIC the necessary funds to begin to solve this crisis in the thrift industry.

THE NONBANK BANK LOOPHOLE

This legislation also closes the non-bank bank loophole. Banks are defined as institutions that accept demand deposits and make commercial loans. Institutions that do one or the other are not considered banks, and therefore, are not subject to many of the Nation's banking laws. For the most part, the major criticism aimed at nonbank banks is there ownership by commercial firms. This represents a departure from our Nation's banking policy that separates banking and commerce. Some would argue that this is a tradition for this country, but in fact as William M. Isaac stated in the Wall Street Journal recently, not until the 1956 Bank Holding Company Act did we separate banking and commerce. In fact, as he went on to say, this "Chinese wall" of separation remains rather porous today.

Many in the administration would argue that the nonbank banks have been a positive innovation for the consumer. I do not seek to argue that point at this time. In fact, that is not really the issue that this legislation addresses. As I see it, the problem is twofold. One, should we allow commercial firms to be in the banking business, but bar banks from being in the commercial field? Nonbank banks have effectively done this, and that is why the banks have raised this as being a competitive disadvantage for them. Quite frankly, they are right on this point.

Second, should our Nation's banking policy since 1956 be changed because of a legal loophole? I think not. I wrote to the President in favor of this legislation, and in doing so, I did not seek to rebut the administration's view that nonbank banks have helped deregulate banking, but I told him that our Nation's policies should be set by the Congress and the executive branch, not by lawyers looking for loopholes.

The legislation grandfathers 168 nonbank banks, many of which are owned by very large commercial and financial firms, however, it will shut off the nearly 200 applications that are pending. This legislation imposes many unnecessary and anticompetitive restrictions on non bank banks which I do not support, but the conference was unwilling to relax these in any substantial way.

Why should members be asked to support this section of the bill? Because it will level the playing field between banks and their competitors for the time being. But the Congress needs to address this issue in a comprehensive manner. The financial services arena is changing everyday, and innovation will not wait for the Congress. That is why it is imperative that we address this issue very soon in additional financial services legislation. Today's consumer is seeking an array of different financial services, and new products will be on the market soon after this legislation. The Congress cannot continue to react to the market, we need to set the parameters of competition now, and I hope that we will do that soon, particularly when we address the issue of additional bank powers, as has been promised by both the House and Senate Banking Committee chairman.

TITLE II, MORATORIUM

Title II of this legislation would impose a moratorium on any new powers for banks issued by the Federal Reserve and the Comptroller of the Currency until March 5, 1988. This effectively puts a hold on the underwriting powers that were issued to several major commercial banks in early April of this year. Some would argue that the Federal Reserve in making these decisions went beyond the scope of its authority, and that this was in fact a radical interpretation of Glass-Steagall.

We have been presented a Hobson's choice by each industry with respect to the Federal Reserve's decisions. The large banks tell us that if their subsidiaries are allowed to underwrite securities, commercial paper, consumer receivables, mortgage backed securities, and municipal revenue bonds, then borrowing in the capital markets will be less expensive because of the enhanced competition. Ultimately the consumer will be the benefactor.

The securities industry, however, would argue that underwriting is an inherently risky business, and it is—one need only look to Merrill Lynch and Kidder Peabody to see that each has had to take substantial losses because of poor underwriting practices recently. If the banks are in this business, large investment banks will feel compelled to enter the commercial banking business, and by default the United States will insure double the number of large money center oper-

ations because of our insured deposit system. This is, of course, a terse description of the problem, but as you can see it is a perplexing one. The Congress has been stymied in its efforts to confront the conflict.

The net effect, however, has been that the regulators and the courts are making these decisions. Our failure to devise a rational solution to the conflict will only result in these decisions being made elsewhere, with a hodgepodge of regulation that may or may not be in the best interest of the U.S. Government.

The Congress has asked for time—by passing this bill we will have it. Let's rise to the challenge.

GAAP ACCOUNTING

Mr. Speaker, I am pleased that the conference has retained a very important section of this bill that I added as an amendment on the floor of the House during our consideration of H.R. 27. This section would require that thrift institutions begin to abide by generally accepted accounting principles [GAAP] within a period of 5 years. We have now, what we call regulatory accounting principles, better known as RAP. Frankly, RAP had been used to hide the real trouble of the thrift industry. When thrifts got into trouble, the regulators invented a new scheme to make their balance sheets look better. If anyone of us did it, it would be called fraud. It is nothing short of "cooking the books." I won't excuse the Congress from blame either. We have artificially inflated that net worths of thrifts through net worth and income capital certificates.

But the time has now come to correct that situation and to approve this change. We are past the thrift interest rate crunch period, when many of these accounting changes were deemed necessary to help an industry on the ropes. We must swallow hard and go back to GAAP accounting so that we no longer put a false face on the health of the industry.

Finally, let me add that I had the pleasure of meeting with members of the Financial Accounting Standards Board recently. And what they told me was a good prescription to be mindful of in future deliberations over these kind of issues. If we want forbearance, that is reasonably justified, then fine let's have forbearance, but let's not change the accounting rules to do that. Once we begin changing the system, it's hard to get back on the right track.

Unfortunately, this legislation does just this in another section of the bill, which provides for loan loss amortization for 7 years for small agriculture banks. I don't have a problem with some forbearance for these institutions, but I fail to see the logic in changing the accounting rules to do it.

FULL FAITH AND CREDIT

I am also pleased that this legislation includes my amendment placing the full faith and credit of the U.S. Government behind the insured deposits. At a time when public confidence is weakened by FSLIC's problems, it is all the more important that we assure our constituents that we don't intend to let the FSLIC, the FDIC [Federal Deposit Insurance Fund], or the NCUSIF [National Credit Union Share Insurance Fund] stand alone.

GRAMM-RUDMAN

This bill also contains an amendment that I offered in conference to exempt Federal financial regulators from the sequestration provisions of Gramm-Rudman. Why them and not other necessary agencies? Because the budgets of these agencies are paid by those they regulate. Each is funded by premiums paid by the financial institutions that are regulated by the agency, and those funds can't be used for deficit reduction because they are not tax dollars, they are premiums. It makes little sense to ask, for example, the Home Loan Bank Board not to spend a certain percentage of its budget, because other agencies are reducing because of Gramm-Rudman. This is particularly true for the FHLBB that will need every dollar it can muster to solve the thrift crisis. So what results is a curious situation whereby the agency can't spend some of its money—and the Federal Government takes a fictitious reduction in its deficit because it counts money that was never put in the Treasury. We put a stop to this in the conference report.

EXPEDITED FUNDS AVAILABILITY

Finally, Mr. Speaker, this legislation contains a very important section which will expedite the process by which we give consumers access to their deposits. Some States regulate check hold periods, and some do not. Now for the first time we will have national legislation that we will provide all consumers faster access to their dollars.

I want to congratulate Chairman ST GERMAIN and Senator DODD—they came to the conference with two very different approaches to this problem, and they have drafted a good compromise.

As one who represents a substantial number of Federal employees, I am pleased that this section will provide for next day availability for Government checks beginning on September 1, 1988. I might add that my State of Virginia already has an excellent check processing system, and I do not expect that Virginia will have problems meeting the schedules in this legislation, in fact Virginia could well be ahead of the curve, as it is in many things.

In conclusion, Mr. Speaker, this is again, on balance, good legislation.

This is not a far-reaching solution to the FSLIC problem, nor is it the final word on financial services restructuring, but it is a step forward by the House and Senate Banking Committees. I would urge my colleagues to support this bill.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the able gentleman from New York [Mr. LaFALCE].

(Mr. LaFALCE asked and was given permission to revise and extend his remarks.)

Mr. LaFALCE. Mr. Speaker, I reluctantly rise in opposition to the rule, and then, since I believe the rule will pass overwhelmingly, I intend to rise in strong opposition to the conference report, I also believe it will pass overwhelmingly. But I do think it is a very bad rule and a very bad conference report.

□ 1420

For those who do have open minds as of this point in time, I would offer the following procedural arguments for their consideration. At this point I shall not address the merits of the FSLIC recapitalization scheme, its adequacies or inadequacies, nor other difficulties inherent in the legislation. I think that even if you have difficulties with it, in the spirit of compromise you probably would go along with the conference report, if it contained only the FSLIC recapitalization provision. There are some other provisions within the bill, too, that I think are excellent.

For example, the provision dealing with expedited funds availability. I think the conference report provision that deals with that is superior to the House-passed version. But I have to stop there, not that there are not other good provisions of the bill.

The reason I stop there is because those were the only two items in the entire bill that were considered on the floor of the House of Representatives, considered in the Committee on Banking, considered in the Subcommittee on Financial Institutions, in this the 100th Congress.

Earlier this year, approximately March 1987, the Senate passed an omnibus banking bill. It really dealt with virtually every major issue confronting the financial services industry.

Admittedly, it puts some issues on temporary hold, it imposed a moratorium, et cetera, but it attempted to deal with all the major issues in one way or another.

From that time to the present a good many Members, especially myself, were concerned that a certain approach could be taken. We were concerned an approach could be taken whereby the Banking Committee itself and the Members of the House of Representatives would be bypassed, would be circumvented, perhaps indeliberately or perhaps even deliberately. Hence,

time after time I asked the question, will we be able to have debate, discussion, and a vote on those issues, both in committee and on the floor of the House? Time after time I was assured "Yes," and indeed, we would at the very least have hearings in the House Banking Committee before we dealt with and had to vote on these issues.

Well, April went by and May and June and July, 4 months, and we have not even had one hearing on any of those major issues in this Congress; very important issues.

And when the House conferees went to the conference with the Senate conferees, I admit a decision was made to go to conference on all the issues; but the decision was not made to virtually capitulate to the Senate on almost every one of the titles in their bill—not every single one, but almost every single one, all the major ones; and yet that is what the end result was.

Now I think that most of those provisions happen to be very bad. Reasonable people could differ, however. I would tick off some of them and I would ask you in your sense of fairness whether this unusual procedure of having a rule on a conference report should be gone along with so readily when we have not had an opportunity to have amendments and separate votes on a number of extremely important issues.

Should we not be able to consider the wisdom of so-called nonbank banks. I call them limited service banks. Should we not debate that on the floor of the House and in committee? Should we not be able to vote on that separately in the full House?

Many people believe that prohibiting them is both anticompetitive and anticonsumer. As a matter of fact, that was the principal reason the New York Times editorialized a few weeks ago:

If it should pass it will richly warrant a veto. Passage would show that Congress is paying more attention to the lobbyists than the public. Unfortunately, legislators have worked harder to appease lobbyists than to guard the public interest. A bad banking bill would be worse than no legislation at all. This lobbyists' stew is a bad banking bill. It warrants a one word response from President Reagan "veto."

Now, the President is not going to veto this bill, not because he does not want to, but because he is a weak President, because he realizes that he cannot sustain a veto on this bill, because the lobbyists have overcome and prevailed; they have greater might than the President on banking legislation.

I should also like to add that there are several other provisions in this bill which were never considered either by the committee or by the full House. Should we pass a rule which precludes the House from having a separate vote on each issue?

For example, the 7-percent growth restriction placed on limited-service banks 1 year after enactment of this legislation. This issue was only examined during the course of the conference and was not part of the original bill voted on by the House of Representatives. Should we not be able to vote on that separately?

There are other provisions which were included by skirting the normal deliberative legislative process. The intrusion on State powers through the application of Glass-Steagall to State-chartered nonmember banks is a good example. States rights are a vital issue to this body, not only as a means of maintaining our dual banking system—but more importantly—as an approach to legislation. Should we intrude on the jurisdiction of States without even voting on this issue separately?

The same arguments holds for intrusion on regulatory and judicial powers. This rule would permit the House to ignore the authority of the regulators and the judicial branch to act on these banking issues. Such a precedent could have dangerous implications for the safety and soundness of the financial system. Should we not vote on such an issue separately?

Last, the 7-year loan loss amortization schedule permitted for agricultural banks is a provision that should be voted on separately by the House of Representatives. But like all the other examples I have cited above, it too will be lumped in with all the other provisions because of the procedural travesty being committed here today.

Right reason demands that this rule be rejected.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I thank the gentleman from Tennessee for yielding.

H.R. 27 is very, very important legislation. This bill has been driven by a locomotive called the Federal Savings and Loan Insurance Corporation. We have been told by our congressional investigative arm, GAO [General Accounting Office], that we have a real problem with FSLIC.

So the administration requested \$15 billion to keep FSLIC solvent. The original bill that we passed in the House was for \$5 billion. This present bill before us compromises at \$10.8 billion. I think it is a realistic compromise, Mr. Speaker. For that reason I think it again will undergird the depositors' confidence and trust in these institutions. That is why this legislation is so needed and so important.

Some people maintain that there are problems with this bill. Well, there are problems with every bill that comes before Congress.

Two hundred years ago when our forefathers were drafting the Consti-

tution, that most perfect of all documents, they realized it had some imperfections. That is why the Bill of Rights was adopted before the Constitution was ratified. It's only natural that any legislation we pass in Congress is going to have some imperfections. But when you take a look at the total picture, this legislation addresses those issues and those questions that have to be addressed. The compromises made in this bill have been fair, just, and equitable. That's why President Reagan will sign it.

This bill goes beyond FSLIC. The bill goes to the heart and future of the banking and financial institutions.

Now we know that we have too many rules and regulations which are too constrictive and out of date. What I hope this legislation will do is provide a vehicle that drives forward with other banking legislation and legislation dealing with our financial institutions; Glass-Steagall must be revisited. We realize that. We must bring our financial institutions into the 20th century.

Ten years ago, most of the large banks in the world were American banks. Today only 3 out of the 25 largest banks in the world are American banks. We cannot continue to go in this direction. The present dilemma is indicative of a Congress sleeping at the switch while technology and the financial institution go through a welter of change. This bill is not a solution to all the problems of our financial institutions but it does set the agenda for future legislation.

Therefore, the reason this legislation is so important is because it addresses the crucial and critical problems that we are faced with today and it gives us the impetus, it gives us the roadmap to move forward. Banking legislation in our House has been stuck in mud for too many, many years. Now finally we are getting on the path, we are getting motion, we are getting movement, we are getting some momentum. That is what is needed.

The Banking Committee is going to be the most important committee in the House of Representatives. And the reason for that is because the issues we are faced with in our Banking Committee are the issues that other American institutions are going to be faced with.

That is why this is prototype legislation, this is vanguard legislation. That is why it is so important.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. ROTH. I would be happy to yield to the chairman.

Mr. ANNUNZIO. Mr. Speaker, I asked the gentleman to yield so that I could commend him on an outstanding statement that he is making in behalf of this legislation.

I would also like to point out that when the gentleman talks about the amount of money that we are funding, \$10.8 billion, the more that you vote out—if we had gone along with the \$15 billion, the very institutions we are trying to help are those institutions that we would force to close because of the high payments. The larger that payment the larger the payments to the smaller S&L's.

Mr. ROTH. I thank my friend for his contribution and I thank the gentleman from Tennessee for yielding.

Mr. PEPPER. Mr. Speaker, I yield 3 minutes to the able gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I support the conference agreement on H.R. 27 and urge my colleagues to vote for it.

Congress has been struggling with this issue for almost a year now. Congress has always felt that our Nation's S&L's should bail themselves out; no taxpayer money should be used. The fight has been over how much to ask of the S&L's. We voted to ask \$15 billion last year, but that legislation died with the last Congress. This year we voted for \$5 billion, but the reconvened conference has given us a total of \$10.8 billion.

I support the \$10.8 billion number because it, unlike this spring's House figure of \$5 billion, is large enough to begin solving the problem. One State's S&L problems alone could have exhausted our earlier \$5 billion request; the new request of \$10.8 billion should enable our FSLIC fund to operate in the black, at least for the time being.

Other features of H.R. 27 are the sunset provisions on the special leniency or forbearance we are granting S&L's. Already they are operating under relaxed accounting rules, so-called RAP accounting. This bill grants them further leeway, at least to the well-managed ones. But these special favors are not made permanent. S&L's will have to begin operating under the accounting rules that every other business in America is ruled by. GAAP accounting, when the \$10.8 billion bailout fund is exhausted.

There are many other features to this bill ranging from the long-overdue statement that the full faith-and-credit of the United States stands behind our Federal deposit insurance funds—which officially adds a contingent liability of hundreds of billions of dollars to our Nation's already overburdened credit ledger—to the controversial nonbank bank and moratorium provisions.

On these last issues, neither party to the controversy should object to the compromises reached, nor should they take much comfort in them either.

Nonbank banks are, and will be, alive and well. They might not grow as fast as their advocates would like, but

they have survived this battle and will fight another day. The moratorium on new bank powers may look as if it's strangling bank growth, but Congress could not have begun seriously voting on such issues before next March anyway.

The result of these features of the bill, add-ons that once again unfortunately circumvented the House Committee process, is to delay consideration of vital issues without much prejudice to the commercial interests at stake. One day Congress will have to face up to these financial structure issues. That day should be soon because Congress should have begun dealing with them years ago. Still, the sooner the better because it is not too late to unshackle our financial industries to allow them to compete internationally and domestically.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in support of the conference report on H.R. 27.

My support, however does not come without reservation. I have three reservations about the work of the conference and I feel that I should express them here.

First, I, as did many of my colleagues on both sides of the aisle, supported a clean FSLIC bill. When the Senate began adding other provisions, I feared a slow process in the face of an emergency situation. Well, that fear has materialized. The Banking Committee held its first hearings on the issue in early January. And now here it is 8 months later, and we're just getting around to sending final legislation to the President.

It's no wonder the taxpayers of this country get impatient with us. I am only glad that FSLIC didn't go belly-up in the process.

My second reservation concerned the funding level for FSLIC. From the very beginning I supported a higher level for the fund. Of course my reservation has been somewhat lessened by the 11th-hour negotiations between Congress and the White House.

I applaud those in Congress who lead these negotiations with the White House for their spirit of cooperation in order to get a signed bill. I still support a higher level of funding, but half a loaf is better than no bread at all.

My final and largest reservation still exists. Today, the House is being forced to vote, in an all-or-nothing situation, on substantive provisions, heretofore not even debated before the Banking Committee. Moreover, the prospect of comprehensive hearings before the March moratorium deadline seems unlikely. As a freshman member of the House Committee on Banking, Finance and Urban Af-

fairs, I would urge the chairman to hold these hearings, post haste. The response that these are all issues that have been argued before does not fly with the freshman members.

Despite these reservations, I urge support of the measure.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the able gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Speaker, I would observe that this conference report is probably neither as good as its proponents would contend nor as bad as its opponents are stating.

I want to just run through, briefly, some of the pluses and minuses as I see it in this legislation, having been someone who has been working on components or different parts of this legislation now for 4 years.

□ 1435

On the plus side, the FSLIC compromise is a better package than we reported out of the House. It increases the borrowing authority in this industry self-help plan and has less onerous forbearance provisions. We do not tie the hands of the regulators to the extent that the original House measure did.

With regard to the check-hold legislation which several of the earlier speakers have talked about, it is a fair deal for consumers, and I think it is a fair deal for the financial institutions. Many of us in this body are concerned about the safety and soundness of these financial institutions. This compromise in this conference report is, I think, sensitive to those concerns about safety and soundness, while ensuring that depositors have reasonable access to their deposits.

The third point is one that Representative PARRIS mentioned today, and that is a provision dealing with the anti-deficiency law, the apportionment provisions of our law, and a Gramm-Rudman exemption. For the last 2 years, I have worked hard to try to make sure that we give our financial regulatory agencies some flexibility to ensure that we have enough examiners. We desperately need qualified, well-trained examiners. Moreover, we must reduce the turnover in our examiner forces within our regulatory agencies to avoid being hamstrung in our ability to better ensure the safety and soundness of our financial institutions.

There are a couple of key provisions in this conference report that were literally pulled out of the Carper-Lundine bill which was passed here in the House of Representatives last year. I salute Representative PARRIS for his efforts to include those provisions in this conference report.

Having mentioned those pluses, I now want to mention a couple of minuses, as well. I do not like the idea that we are considering legislation in title I of this conference report deal-

ing with nonbank banks. We have never had the opportunity here in the House to debate the merits of those provisions. I am not comfortable with them, I do not like what this particular bill does in this area. I am hopeful that we will have the opportunity in the year ahead to revisit those issues as suggested by Senator PROXMIER.

Neither do I like the notion that we are going to extend, for the first time in the history of this country, provisions of the Glass-Steagall Act to state-chartered financial institutions. We have never debated that issue, to my recollection, in the Banking Committee. We have certainly not debated that issue here in this Chamber to my recollection. Yet, we are voting here today to extend that coverage to March 1 of next year.

Third, we are basically saying in this legislation that we are going to tie the hands of the regulators, including the Federal Reserve, to keep them from providing even modestly expanded powers to financial institutions. I do not like the fact that we are going to do that. The kinds of modest new powers that were envisioned by the Federal Reserve, I think, do no harm to our financial institutions. I believe they are really proconsumer and strengthen, rather than weaken, competition.

In light of the reservations, I hope to have the opportunity, when we actually debate the conference report itself, to ask the following questions of the chairman of the Banking Committee.

First. Will you support an extension past March 1, 1988, of the title I moratorium regarding extension of Glass-Steagall prohibitions to State-chartered financial institutions?

Second. Will you support an extension past March 1, 1988, of the title II moratorium on the discretion of regulators to authorize new activities for banks?

Third. During conference debate, Senator PROXMIER indicated that it would be appropriate to revisit the 7-percent growth cap for nonbank banks if the Congress expands products and services for commercial banks. Do you agree that a reexamination of the 7-percent growth cap would be appropriate under those circumstances?

Mr. ROEMER. Mr. Speaker, will the gentleman yield?

Mr. CARPER. I am happy to yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Speaker, I want to express my thanks to the gentleman from Delaware [Mr. CARPER]. I was a member of the conference, and I, like the gentleman from Delaware, have worked for years to try to get to this date. But all the credit goes to him for many parts of this bill. I thank him for his foresight, for his courage, and for his honesty.

Mr. CARPER. Mr. Speaker, I am lost for words. I thank the gentleman from Louisiana for his kind words.

Many members of our committee, and especially the gentleman from Louisiana [Mr. ROEMER], have played a part in the adoption of the positive provisions in this bill. We still have a great deal of work to do, though, and my hope is that between now and March 1, 1988, we will put our shoulders to the yoke and get that job done.

Mr. QUILLEN. Mr. Speaker, I yield 6 minutes to the gentleman from California [Mr. McCANDLESS].

Mr. McCANDLESS. Mr. Speaker, the situation is this: There are a number of savings and loans across the country that, for one reason or another, should be closed. But they can't be closed because the Federal Savings and Loan Insurance Corporation—better known as FSLIC—does not have the resources to close them and pay-off their depositors. Consequently, these troubled institutions are losing money at a rate of \$6 to \$10 million a day. What is needed is an infusion of money into FSLIC which can be used to pay depositors so that thrifts which have no hope of becoming solvent, can be closed.

There are two ways to put money into FSLIC. The first would be to use the taxpayers' money. The second is a self-help plan; a rescue financed by the industry that has benefited and profited from FSLIC insurance. Those are the only options. H.R. 27 is the latter. Not \$1 of taxpayers' money is involved.

There are some who have couched this debate in terms of protecting a particular region or even a specific State. However, that view is extremely nearsighted. This legislation is designed to shore up the insurance fund. If FSLIC goes under, and depositors start losing their money, panic will not stop at the State line. Nor is it likely to stop with thrifts. Depositors will also race to banks and credit unions to withdraw their life's savings. In short, our entire system of banking could collapse, and the disaster would be nationwide.

I was one of the six people who voted against H.R. 27 when it was before us in May. I thought the bill was woefully inadequate to accomplish its purpose of rescuing FSLIC. I didn't see any logic in passing a bill that wasn't going to work.

The legislation before us now—the conference report—is much improved, and I am going to support it. The conferees have crafted a compromise that, while certainly not perfect, will be a major step toward restoring solvency to FSLIC. Time is absolutely critical. FSLIC, and the people who have their money in savings and loans, simply cannot afford to wait for a perfect bill.

Throughout the process, I have stated repeatedly that my preference

was for a clean bill—one that dealt only with FSLIC. That was the House's position, and, if the other body had acted likewise, FSLIC recapitalization would have been signed into law months ago. Instead, the other body chose to use the FSLIC issue as a vehicle to address a number of complicated and controversial banking issues. Many of these issues have paralyzed the banking committees and kept them from acting on comprehensive banking reform legislation, so perhaps it is not all bad that H.R. 27 will break the logjam.

H.R. 27 should not be viewed as a reversal of efforts to deregulate banking. It does put on hold, for 7 months, the Federal Reserve Board's approval of expanded securities powers for banks. However, in all likelihood, even without the moratorium, the courts—not Congress—would prevent the banks from exercising those powers while they grapple with the question of whether or not the Fed has exceeded its authority.

If we are going to allow banks to engage in securities activities, then Congress—not the Fed—should repeal the Glass-Steagall Act. Glass-Steagall is the law, passed in 1933, that mandates a separation between banking and the securities business. Repealing the law by default or regulatory fiat is not acceptable.

Our system of banking has evolved into a patchwork quilt of confusing, and in some instances, antiquated and contradictory laws. There is no question that a complete review and overhaul is needed. Over the next 7 months we can continue the comprehensive analysis of financial industry law. We need to put everything on the table and start from scratch. We need to determine what type of financial institutions we want to have. We need to decide what powers and what limits those institutions will have. We must also address the role of the Federal Government—in the form of Federal deposit insurance, and what effect it will have on an institution's powers and services.

The first, and most important step at this point, is solving the FSLIC crisis. The conference report will begin that process. Therefore, I urge my colleagues to join me in supporting it.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I rise today in strong support of the conference report on H.R. 27, the Competitive Equality Banking Act. This bill has been in the works for over a year now and the time has come to get on with our responsibility and pass this legislation.

I want to commend the conferees, the respective chairmen and ranking members, and the administration for their work on this bill. I also want to

especially commend the Treasury Department and Jim Baker in particular for his leadership, tenacity, and far-sightedness. This bill represents a giant step forward in addressing the key issues in the financial world. It is a major achievement in dealing with a potential crisis in the savings and loan industry and resolves the problem in a creditable way.

It is not often that three independent Government agencies reach the same conclusion about how best to solve a problem. However, in the case of FSLIC recapitalization, the Treasury Department, the Federal Home Loan Bank Board which oversees FSLIC, and the General Accounting Office, not to mention the Speaker of the House, the chairman of our committee, and the ranking Republican, all agree. We actually need at least \$15 billion to adequately recapitalize the FSLIC.

However, today I will strongly support the \$10.8 billion for FSLIC, if that was the highest amount to which the conferees could agree. However, it may be that at some point in the not too distant future, we will meet here again to consider another FSLIC funding bill.

The problems of FSLIC are varied. From risky real estate lending during boom times, to trouble in the energy and agricultural sectors of our country, a growing number of savings and loans are experiencing trouble in maintaining their net worth. Let me state unequivocally, however, that the S&L's in my State of New Jersey are for the most part very healthy, well-managed, and profitable. Unfortunately, their colleagues in other States have been neither so fortunate nor so prudent. But this is a national insurance program and demands support.

Here is the situation in its starkest terms. The industry has almost \$1 trillion in deposits. As of the third quarter of 1986, 446 thrift institutions were insolvent according to generally accepted accounting principles. These held \$112.7 billion in assets and were losing \$5 billion per year. The most recent General Accounting Office information indicates that FSLIC's loss for 1986 will be close to \$11 billion and that its deficit will be in the \$6 billion range. FSLIC is currently insolvent.

It is central to the recapitalization proposal that it be enough to restore long-term confidence amongst investors because over half of the necessary money must come from the capital markets. The financing corporation created by this legislation must sell bonds in the bond market to raise the necessary funds.

We need an adequate level of recapitalization to restore confidence for a second reason as well. We want to return to a healthy S&L system. That means attracting new investors into

the industry, as well as just selling the bonds for the new financing corporation. We also need depositors to feel secure in their actions. Already I have gotten letters from constituents who ask whether they should withdraw all their money from their local savings and loan. Many are not aware of the difference between a funding problem with FSLIC and the failure of an S&L. A rejection of this recapitalization proposal would send an avoidable, and therefore unnecessary, signal of fear and hesitancy into the financial world.

I know that the healthy savings and loans do not want to continue to pay the special assessment to cover the losses of the S&L's which have gotten themselves into trouble. I can certainly understand their concern. However, the history of Federal deposit insurance in this country is that it has always been a nationwide, industry-supported fund. It would make no sense to abandon this system just when we need it the most.

All FSLIC-insured savings and loans have benefited for years from the public confidence in the FSLIC system. I am sure that if that sign they all have in their window that says "Member—FSLIC" were suddenly taken away or lost its meaning, they would feel quite clearly just how valuable a sound FSLIC insurance system is to them.

I also realize that this is their money we are using to recapitalize the system, and not taxpayers' money. Therefore they want us to spend it prudently. I agree, but I think that to ensure that we do not have taxpayer money bail out the FSLIC insurance system or have to consider merging FSLIC into the FDIC, we should follow the advice of the experts and take the strongest action we can to restore safety and soundness to the system.

The House last year passed a \$15 billion recapitalization bill and the situation has only gotten worse since then, with more S&L's in trouble and FSLIC with lower and lower reserves. The \$10.8 billion in this conference report has been accepted by the President and his advisers. We must act decisively and quickly to recapitalize FSLIC with enough money to do the job and not postpone the inevitable.

Mr. Speaker, the conference report before us also encompasses other key banking provisions. First, the bill establishes a moratorium until March 1, 1988, on the authorization by the Federal banking regulators of any new securities, insurance, or real estate powers.

Everyone can agree that our financial institutions and the financial markets are changing rapidly. This clearly means that Federal legislation must carefully forge new relationships. This bill should be considered an impetus for the House and Senate Banking

Committees to begin serious discussion and serious legislative work to address the competitive concerns facing our financial community.

It is long past time for Congress to thoughtfully examine the state of the financial industry. For far too long the Congress has left the determination of policy in this area to the courts and regulators. We must ensure an American financial industry that is healthy, safe, and sound, one that is competitive with the rest of the world, where participation is not limited to a few financial conglomerates, and where the rules are equitable and clearly defined.

It is the responsibility of Congress and not the courts, the regulators, not the States, to set comprehensive Federal banking policy in this country. I believe that we must also look at broader trends in the financial world. Barriers between different financial industries are being broken down every day both here and abroad.

There are serious competitive issues to be discussed. There are continuing and unrelenting conflicts between various sectors of the financial world. The titans of the industry are moving quickly to respond to the evolving financial marketplace and the competitive forces of the global financial marketplace. The issues at hand are not simple and do not lend themselves to simple solutions. We definitely have our work cut out for us, but it is work from which we must not shrink.

In that regard, I strongly urge our distinguished chairman to hold comprehensive hearings on competition within the U.S. financial industry and our place in the global financial markets. I hope that the hearing we just had with Paul Volcker, outgoing Chairman of the Federal Reserve Board, was a start in that direction.

I am also pleased to see that the conferees were able to come to agreement on the check-hold provision to limit the amount of time that financial institutions can hold a check before it is credited to a customer's account. I have spoken strongly in favor of this before. I believe that the compromise worked out in the conference report will be of great assistance to consumers while being fair and reasonable for the banks.

Mr. QUILLEN. Mr. Speaker, I urge adoption of the rule and of the conference report when it comes before us.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. PEPPER. Mr. Speaker, as our last speaker, I yield 2 minutes to the able gentleman from Kentucky [Mr. HUBBARD].

Mr. HUBBARD. Mr. Speaker, I rise in support of the bill before us today. As one of the conferees on this legislation, I can tell my colleagues that it is the product of long and sometimes difficult negotiations and deliberations.

We have resolved a wide range of complex issues and have committed to further consideration within the coming year of many others. This product deserves the support of every Member.

I would like to make clear the intent and application of several provisions of particular importance. First, I am gratified that the conference has arrived at an equitable resolution of the FSLIC secondary reserve problem on which my General Oversight and Investigations Subcommittee held hearings in June of this year. The secondary reserve was always intended to be treated as an asset of the institutions that contributed it, and this bill makes clear the intent of Congress that it continue to be so treated. Section 307 provides for the return of the secondary reserve to those institutions through offsets against special assessment premiums over the course of approximately 6 years. For institutions that, for their own business purposes or through merger or acquisition, exit the FSLIC, the secondary reserve offset provided by section 307 could be applied against those special assessment premiums paid as part of the exit fee. I applaud the conference for its recognition of the inequity of confiscating the funds contributed to the secondary reserve.

Second, I want to make absolutely clear the intent of this legislation on the question of exists from the FSLIC. There is a 1-year moratorium preventing any new plans to exist from being actually implemented. Following that period, the legislation provides in section 302, as an upper limit on the barrier to exist, a fee of twice the regular annual premium and twice the special assessment premium assessed under section 404 of the National Housing Act. The Bank Board should not use its recently asserted authority over exists from the FSLIC under its rule on transfer of assets of insured institutions as a means for unreasonable delay or to extract from institutions seeking to exist financial concessions in addition to the exit fee authorized by this legislation. Once the moratorium on exits expires, institutions that qualify for FDIC coverage and that pay the exit fee should be allowed to make the transition with a minimum of regulatory delay.

On another matter relating to thrifts, particularly savings banks, covered by FDIC, the legislation resolves only part of an ongoing dispute concerning Federal regulation of State-chartered institutions. Section 101(d) directly authorizes State-chartered savings banks established on or before March 5, 1987, to exercise all of the noninsurance powers granted to them by State law without restriction by the Federal Reserve Board under the Bank Holding Company Act. The section is silent and takes no position on

the question of the exercise of State-granted powers by newly formed savings banks. The legislation does not intend by its silence to resolve the question by negative inference. This legislation grants no new authority to the Federal Reserve Board or other Federal banking agencies to restrict State-chartered institutions in the exercise of powers granted by the States.

Third, this legislation takes an important step forward in the section 402 provisions directing the Federal Home Loan Bank Board to move toward generally accepted accounting principles. The approach is a sensible one and takes specific note of the importance of both subordinated debt and goodwill to the thrift industry by specifically indicating that they may contribute to be included in computations of capital. With regard to the treatment of subordinated debt, the Federal Home Loan Bank Board should take particular note of Congress' intent not to remove it from the computation of capital. Particularly, as the board implements the provisions of section 406 mandating new minimum capital requirements it should recognize that it is the intent of Congress to allow subordinated debt to continue to be counted, without reduction, toward meeting capital requirements set for the thrift industry.

Fourth, the provision of section 406 that grants to the Bank Board new authority to establish minimum capital requirements on a case-by-case basis is intended to be implemented with the greatest of caution. There is very serious potential for abuse of such authority. The Congress does not intend to grant to the Bank Board the authority to single out individual institutions and create for them capital requirements that are significantly higher than those of the industry as a whole. Further, it is our intent that the Bank Board develop by rulemaking the guidelines that will be followed in exercising this extraordinary authority.

Finally, the legislation mandates an important step forward in providing opportunities to resolve important disputes between thrift institutions and the examination and supervisory personnel of the bank board. Section 407 directs the bank board to establish an informal process for appealing those disputes to the principal supervisory agents. While no right to review by the bank board itself is permitted by this provision, the bank board is not precluded by anything in this legislation from exercising its discretion as head of the Federal Home Loan Bank System to continue to monitor and review the decisions of the examiners and supervisors. Moreover, the bank board should examine several important issues in the rulemaking establishing this appeals process. At the very least, the affected public should be asked to comment on, preferably in

public hearings, the manner in which this appeals process relates to the other processes by which the bank board regulates; how to resolve potential inconsistencies between districts; when the failure to arrive at a timely supervisory or examination decision should itself be reviewable; and such implementation matters as the board sees fit. In order to derive the greatest possible benefit from this appeals process, the board should begin this rulemaking as soon as possible.

Mr. Speaker, I believe the conference has produced legislation that will lead to the resolution of the growing depositor concern over an inadequate insurance fund at the FSLIC. I believe that the healthy majority of the thrift industry, who will bear the cost of the FSLIC recapitalization, will now have the chance to demonstrate their continued importance to the vitality of our economy without a cloud of inadequate insurance hanging over them. For these reasons, especially, I urge my colleagues to support this legislation.

As the final speaker prior to a vote on the rule for H.R. 27, I urge my colleagues to vote yes for the rule and later "yes" on final passage of this important legislation.

□ 1450

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ST GERMAIN. Mr. Speaker, pursuant to the provisions of House Resolution 236, I call up the conference report on the bill (H.R. 27) to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forbearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal home loan bank system, and against the consideration of such conference report.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Pursuant to House Resolution 236, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the CONGRESSIONAL RECORD of Friday, July 31, 1987, at page 21633.)

The SPEAKER pro tempore. The gentleman from Rhode Island [Mr. ST GERMAIN] will be recognized for 30 minutes and the gentleman from Ohio [Mr. WYLIE] will be recognized for 30 minutes.

PARLIAMENTARY INQUIRY

Mr. LaFALCE. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. LaFALCE. Mr. Speaker, does the gentleman from Ohio [Mr. WYLIE] oppose the conference report?

The SPEAKER pro tempore. The Chair would propound the question. Does the gentleman from Ohio oppose the conference report?

Mr. WYLIE. Mr. Speaker, I favor the conference report.

Mr. LaFALCE. Mr. Speaker, I oppose the conference report and would request the ability to manage 20 minutes in opposition to the conference report.

The SPEAKER pro tempore. Without objection, the gentleman from New York [Mr. LaFALCE] will be recognized for 20 minutes, the gentleman from Ohio [Mr. WYLIE] will be recognized for 20 minutes, and the gentleman from Rhode Island [Mr. ST GERMAIN] will be recognized for 20 minutes.

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Rhode Island [Mr. ST GERMAIN].

Mr. ST GERMAIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering a vital piece of legislation—the conference-reported bill, H.R. 27, the Competitive Equality Banking Act of 1987.

It can be said that the value of any legislation can be gauged by the direct and immediate impact and benefit it will have on the American consumer. The least mentioned portions of the bill dealing with expedited funds availability; the congressional declaration reaffirming full faith and credit in federally insured depository institutions; the title allowing loan loss amortization for agricultural banks; the requirement of a study on Government check cashing; and the title relating to the depositors of Golden Pacific National Bank demonstrate the unique compassion of the House in fashioning consumer-oriented legislation.

The expedited funds availability title, title VI, which requires depository institutions to make funds available within certain set prescribed periods of time, is hopefully about to become law. It has been conservatively estimated that banks make \$290 million per year on the float and \$3.4 billion per year in fees for checks returned for insufficient funds—clearly, the consumer needs a break here from the use of their hard-earned funds by banks playing the float game. The time has finally arrived to enact this long overdue title of the bill.

Title IX, relating to a reaffirmation of the full faith and credit of Congress for deposits in federally insured depository institutions, is as important as any provision in this legislation. I believe it will go far in allaying the fears of any person concerning the safety of deposits in savings and loan institutions. The House and the Senate passed similar language in the form of a concurrent resolution in 1982.

Title VIII, loan loss amortization for agricultural banks, has been considered by the Banking Committee in the last two Congresses. It is a recovery provision for agricultural banks, comparable, in effect, to the recovery title for savings and loans. It will help alleviate the difficulties in the agricultural sectors of the economy for any bank that can demonstrate that its difficulties are primarily attributable to economic problems beyond the control of management.

Originally a requirement to cash Government checks, controversy surrounding title X has been alleviated by the substitution of a study for the Senate's mandatory provisions. I was disappointed that a consensus has still not emerged for a government check cashing requirement.

And finally, the depositors at the former Golden Pacific National Bank who held so-called yellow certificates of deposit are to at last be given interest on these deposits. They waited for 16 months after the closing of the bank before being paid off by the Federal Deposit Insurance Corporation. The Subcommittee on Financial Institutions held emotional hearings in 1985 and heard testimony by the use of interpreters from non-English-speaking Chinese-American depositors of that bank—an example of an interest group not often heard from by the committee but, certainly, no less deserving than our other witnesses.

Unfortunately, many Members of Congress have been or will be told that the House conferees caved in completely to the Senate, and that most of the items contained in this legislation have never been considered previously by either the House Banking Committee or the full House. This statement is not correct. At least 7 of the 12 titles of the bill have previously been dealt with by the House Banking Committee or the full House.

Other titles of the bill concerning nonbank banks; the moratorium on the expansion of bank activities in insurance, real estate and securities; the FSLIC recap; forbearance for well-managed, viable savings and loans; and the regulators' bill are all familiar and understood subjects by virtue of previous congressional action.

The FSLIC recapitalization, which is title III, was considered thoroughly by the Banking Committee and acted upon by the House in both the 99th and 100th Congresses. Legislation

passed the House on October 6, 1986, providing for \$15 billion in bond issuance authority. Regrettably, it was not acted upon by the Senate until the closing hours of the last Congress and then in a form totally unacceptable to the House. This required starting recapitalization anew in the 100th Congress.

I felt the \$5 billion amount reported by the committee to be inadequate due to the worsening situation updated by GAO. Efforts by the Speaker and me to increase the \$5 billion amount to \$15 billion on the floor of the House on May 5 were defeated as a result of opposition by the U.S. League of Savings Institutions. It must be pointed out that the higher \$15 billion amount has been consistently supported by the Federal Home Loan Bank System—the very organization whose funds will be used in the recapitalization of FSLIC and whose regional banks include directors who are either working in the industry successfully or concerned individuals very familiar with it.

As for title I of the bill, the nonbank bank title, similar legislation on this extremely controversial title was reported out of the Banking Committee in the 98th Congress as H.R. 5916, upon which we requested a rule in the closing days of that Congress. We reported a modified version, H.R. 20, early in the 99th Congress and again requested a rule. The grandfather date in the current title I has reduced much of the controversy, although some still remains. Certainly, the issues are well-known to the Banking Committee and to other Members, as well.

Title II provides for a moratorium on domestic and foreign banks and bank holding companies operating in the United States from engaging in the business of securities as defined in the Glass-Steagall Act; from engaging in the business of insurance, except as now provided in law; and from engaging in real estate activities which is an issue now being considered by the Federal Reserve Board. The moratorium which begins on March 6, 1987, will end March 1, 1988. This time period will permit the commencement of hearings and the consideration of proposals on these highly controversial issues.

Title IV establishes a process whereby savings and loans which are well managed, but are in trouble because of an economic slump in their region, can be kept in business until economic recovery occurs in their area. The House also included a provision applying such recovery provisions to minority-owned savings and loans. The objective of the title is to enhance the long-term viability of the thrift industry while reducing the overall cost to FSLIC.

Title V, the so-called regulators' bill, was also passed by the House as part of the FSLIC recapitalization bill last year in a somewhat stripped-down form.

Mr. Speaker, while much of the controversy surrounding this legislation has centered around dollar amounts and nonbank banks, let us not lose sight of the other very positive provisions of the bill which have a direct effect on the consumer. The importance of expedited funds availability, full faith and credit in our depository institutions, and other initiatives to help the areas of the country hard hit by difficulties in agriculture, energy and real estate cannot be overstated.

After much publicized negotiations with the administration, three adjustments were made in the bill. They are as follows: First, an increase in the dollar amount of the FSLIC recapitalization to \$10.825 billion; second, a sunset of certain of the recovery sections in title IV until the financing authorization has been fully exercised; and third, changes to title I to permit the FSLIC to sell large failing savings and loans to a wide variety of companies. Clearly, today's FSLIC crisis permits no further delay as a veto would have caused. The conference was reopened last week for the purpose of considering the administration's proposal. The conferees agree and I urge the House to accept the conference report.

Finally, there was an inadvertent omission in the statement of managers concerning the status of women in certain minority provisions. It is the clear intent of the conferees that women be included as minorities, and that women benefit from the minority provision in the public offering of financing corporation securities.

Mr. Speaker, I submit for inclusion in the RECORD the following information:

The bill contains the following titles:

TITLE I—COMPETITIVE EQUALITY AMENDMENTS

Title I closes the nonbank bank loophole in the Bank Holding Company Act by redefining the term "bank."

Currently, the Act defines a bank as an institution that meets a two-part test: it must both accept deposits that the depositor has a legal right to withdraw on demand, and be engaged in the business of making commercial loans.

This title redefines the term "bank" to include an FDIC-insured institution whether or not it accepts demand deposits or makes commercial loans. The new definition also includes non-FDIC insured institutions that both accept demand deposits or transaction accounts and are engaged in the business of making commercial loans.

Title I maintains the express exclusions from the definition of "bank" found under current law for FSLIC-insured or federally chartered thrift institutions. In addition, limited exceptions are provided for credit unions, credit card banks, industrial banks, industrial loan companies and other similar institutions.

A company which acquired a nonbank bank after March 5, 1987 must immediately comply with the Bank Holding Company Act or divest its bank subsidiary. However, companies that acquired nonbank banks on or before March 5, 1987 are given grandfather rights so long as they do not directly or indirectly either (1) acquire control of an additional bank or thrift; or (2) acquire more than 5 percent of the shares or assets of another bank or thrift institution.

Restrictions on the activities of grandfathered nonbank banks are imposed, causing a company to lose its grandfather rights and thereby become subject to the Bank Holding Company Act if the nonbank bank (1) engages in any activity in which it was not lawfully engaged as of March 5, 1987; (2) offers or markets products of services of an affiliate not permissible for bank holding companies, or permits its products or services to be marketed by or through an affiliate engaged in impermissible nonbanking activities—unless they were being offered or marketed as of March 5, 1987, and then only in the same manner; (3) permits any overdraft; or (4) increases its assets by more than 7 percent per year beginning 1 year after date of enactment.

In order to lessen the risks of conflicts of interest, unsound banking practices, unfair competition, and the lack of impartiality in the credit granting process, joint marketing and anti-tying restrictions of federal banking statutes between a grandfathered company and its nonbank bank affiliate are also imposed.

Certain sections of the Glass-Steagall Act prohibiting affiliation and employee interlocks with securities companies are extended to insure thrift institutions. Title I also extends the Savings and Loan Holding Company Act's restrictions to unitary savings and loan holding companies that do not meet the "qualified thrift lender" test, defined in this title to require that savings and loans maintain 60 percent of assets in housing and related activities.

Adopted amendments by the conferees included adjusting the amounts of advances a thrift institution may receive from the Federal Home Loan Bank System based on its compliance with the qualified thrift lender (QTL) test.

Other provisions of title I would: (1) drop restrictions on acquisitions of failing S&Ls (over \$500 million in assets) by holding companies owning nonbank banks, and (2) remove Glass-Steagall restrictions on the types of purchasers allowed to acquire failing savings and loans. The effect would be to allow any entity to purchase failing savings and loans with over \$500 million in assets. Glass-Steagall limitations on the purchase of any savings and loan would expire in 1988.

Title I represents the culmination of many hours of hard work and several days of legislative hearings over a number of years by the House Banking Committee. As early as June 1983, the Committee began reviewing nonbank bank legislation. On two separate occasions the Committee reported out legislation which would have closed the nonbank bank loophole. H.R. 5916, which was ordered reported out by the Committee on June 26, 1984, and H.R. 20, the Financial Institutions Equity Act of 1985, which was ordered reported on June 12, 1985, demonstrate the determination and commitment of the House Banking Committee to correct a loophole in our banking statutes which could have an adverse impact on the safety and soundness of our financial institutions.

Unfortunately, those two bills never reached the House Floor for consideration.

TITLE II—MORATORIUM ON CERTAIN NONBANKING ACTIVITIES

Title II imposes a moratorium on certain securities, insurance and real estate powers of bank holding companies and banks by prohibiting Federal banking agencies from taking final action to approve any rule, regulation or order having the effect of increasing the above enumerated powers during the moratorium period. The moratorium is retroactive to March 6, 1987 and ends on March 1, 1988, in order to permit the commencement of hearings and the consideration of proposals on these topics.

In addition, this title prohibits foreign banks and foreign companies controlling foreign banks from expanding their grandfathered activities under the International Banking Act by acquisition, and applies the moratorium to these entities as well. Also, the grandfather rights of such a foreign entity terminate if it acquires a United States bank and thereby becomes a bank holding company.

Certain amendments to the Bank Holding Company Act are also included in this title such that a foreign bank or bank holding company that is "principally engaged" in business outside the United States would be generally prohibited from engaging in any banking, securities, insurance or other financial activities within the United States.

In addition, this title calls for the two Banking Committees to conduct a comprehensive review of our banking and financial laws and to make decisions on the need for financial restructuring legislation in the light of today's changing financial environment, both domestic and international, before the expiration of the moratorium. Further, it should be noted that it is the intent of the Congress not to renew or extend the moratorium established under this title.

As evidence of our intent to carry out this congressional mandate, it should be noted that the House Banking Committee on July 30, 1987 began hearings on this subject. Our first witness was the outgoing Chairman of the Federal Reserve Board, Paul Volcker, who testified on a number of issues, including the globalization of financial markets and corresponding effects upon United States markets and financial institutions. (See attached memorandum of July 24, 1987, to All Members, Subcommittee on Financial Institutions Supervision, Regulation and Insurance, from Fernand J. St Germain, Chairman, entitled Scope of International Banking Hearings.)

This country historically has separated banking from commerce and, over the past 50 years, a national legislative framework has been developed that broadly regulates the business of banking in the United States. Banks and thrift institutions occupy a special place in the American economy. Therefore, the Federal Government (with full recognition of the importance of the dual banking system) has taken significant steps over the past five decades to regulate the activities of banks and thrifts and those entities which seek to control them.

As indicated, the changing financial environment necessitates a comprehensive review. However, it must be emphasized that in meeting the challenges of this new financial environment, we must never forget that our legislative efforts must be directed to ensure that the safety and soundness of this nation's financial institutions is preserved, that conflicts of interest are pre-

vented, and that the resources available to those institutions are directed toward socially responsible activities such as the provision of adequate housing for American families.

TITLE III—FSLIC RECAPITALIZATION

Title III provides for a \$10.825 billion recapitalization plan which employs the funding mechanism proposed by the Treasury Department. This title also includes an annual borrowing cap of \$3.75 billion. This title provides a formula for crediting to certain savings and loans the FSLIC secondary reserve of \$824 million. The financing mechanism used to raise these funds has been deemed to be off budget by the Congressional Budget Office.

As has been said on past occasions on the Floor of this House—More specifically on May 5 of this year and October 7, 1986—the FSLIC recapitalization plan is "must" legislation. Title III is a recognition of the serious drain on the Federal Savings and Loan Insurance Corporation from its attempts to deal with the problems of the savings and loan industry. Although estimates differ as to the amount of new funds that FSLIC needs, there is no disagreement that new funding sources are necessary to supplement the current deposit insurance base.

The compromise agreed to between the conferees and the Administration, which would increase the borrowing authority of the FSLIC Financing Corporation to \$10.825 billion from the \$8.5 billion agreed to in conference, will go a long way to stabilize the precarious condition that now exists regarding the FSLIC insurance fund. Continued monitoring by the General Accounting Office indicates that \$10 billion in new financing is necessary and will allow FSLIC to begin actively resolving troubled institutions' problems.

The Bank Board is now closely monitoring 383 troubled institutions with total assets of \$137 billion. The Bank Board estimates that these institutions have net operating losses of nearly \$10.8 million a day, or nearly \$4.0 billion per year. FSLIC losses resulting from assistance provided to institutions have increased dramatically, from \$23 million in 1980, to \$10.8 billion in 1986.

Compliments to the members of the Federal Home Loan Bank Board System are in order. The recapitalization plan is an industry self-help program which does not involve taxpayers' funds. The plan requires each of the 12 regional Federal Home Loan Banks (which are composed of savings and loan associations) to invest in the newly created "Financing Corporation," which in turn will be required to invest in the Federal Savings and Loan Insurance Corporation. Long-term bonds would be issued in the private capital markets and would be secured by zero coupon obligations bought by the Financing Corporation which would be equal at maturity to the total amount of debt issued by the Corporation.

The Financing Corporation will be under the management of a Directorate composed of 3 members, 1 of whom will be the Director of the Office of Finance of the Federal Home Loan Banks or his successor, and 2 of whom will be selected by the Federal Home Loan Bank Board from among the presidents of the FHLBanks. The Corporation will have no paid employees and the Directorate can, with the approval of the Board, authorize the officers, employees or agents of the FHLBanks to act on its behalf. All administrative expenses of the Financing Corporation will be paid by the FHLBanks.

The Corporation is given the power to issue obligations in the form of nonvoting capital stock to the FHLBanks; to invest in any securities issued by FSLIC; to borrow from the capital markets; to impose assessments; and to exercise incidental powers necessary to carry out the provisions of this title.

The conference-reported bill contains a provision which requires the Chairman of the Board and the Directorate of the Financing Corporation to insure that the minority-owned or minority-controlled commercial banks, investment banking firms, underwriters, and bond counsels throughout the United States have an opportunity to participate significantly in any public offering of bond obligations.

Title III authorizes the Financing Corporation to impose assessments on each FSLIC-insured institution. The Financing Corporation is authorized to assess each institution insured by the FSLIC an amount for each semiannual period equal to an amount not to exceed one-twelfth of 1 percent of the total amount of all accounts of the insured members of such institution on an annual basis. An additional assessment may be imposed for exceptional circumstances.

The Financing Corporation, with the approval of the Board, is required to assess an exit fee on any insured institution which ceases to be an institution insured by the FSLIC. Such fee of "2+2" (2 times a thrift institution's annual premium and 2 times its special assessment) would be imposed. However, such an exit fee will not be imposed on certain institutions which, on or before March 31, 1987, have been converted into, merged with, or acquired by an FDIC-insured institution, or which have filed an application or notice of intent to convert. A one-year moratorium beginning on the date of enactment, during which no insured institution may voluntarily leave the FSLIC, was adopted by the conferees.

A Federal Savings and Loan Insurance Corporation Industry Advisory Committee will be created to review and make recommendations concerning the Board's activities, expenditures and receipts. The Financing Corporation will terminate no later than the earlier of (1) the date by which all stock purchased by the Financing Corporation in FSLIC has been retired; or (2) December 31, 2026.

The conferees adopted an amendment offered by the House which permits insured institutions to offset against assessments the amounts that were previously part of the so-called "secondary reserve." Institutions would be permitted to reduce or offset, with certain limitations, the amount of premiums they would otherwise pay to FSLIC each year.

TITLE IV—THRIFT INDUSTRY RECOVERY PROVISIONS

A thrift industry recovery proposal was adopted for troubled but well-managed and viable thrifts to provide capital forbearance for institutions in those areas of the country which have weakened economies due to difficulties in the energy, agriculture and real estate markets. The overall objective of this title is to maximize the long-term viability of the thrift industry at the lowest overall cost to the FSLIC. Therefore, title IV's provisions require the Federal Home Loan Bank Board (Bank Board) to promulgate thrift accounting requirements consistent with Generally Accepted Accounting Principles (GAAP), or GAAP as modified by the commercial bank regulators, and establish an appeals process for the timely review

of grievances related to the determination of appraisals, asset classifications, and loss allowances.

Title IV provides for audits of the Federal Asset Disposition Association by the General Accounting Office; new appraisal standards consistent with the practices of commercial bank regulators; increased utilization of minority thrifts as depositories for government funds; improved disclosure and control of outside consultants, counsel, and contractors; oversight and reporting requirements; and authority for the Bank Board to establish capital requirements consistent with the commercial bank regulators.

The conferees also agreed to a sunset of portions of title IV, relating to certain capital forbearance and other provisions. The sunset would take effect when the Financing Corporation borrows the last of the \$10.825 billion that it is entitled to borrow as a result of the compromise agreement. (With the \$3.75 billion annual borrowing cap, the sunset could not occur for at least 2.5 years.)

The expiration of these provisions at the end of the sunset period would not, however, affect the authority of the Federal Home Loan Bank Board or the FSLIC under other provisions of law to prescribe rules or regulations in the areas covered by these provisions.

TITLE V—FINANCIAL INSTITUTIONS EMERGENCY ACQUISITIONS

The conferees agreed to language which is essentially the "Regulators' bill" of last year. This title basically permits emergency interstate acquisitions of banks "in danger of closing" which have assets of \$500 million or more. It also permits the acquisition of 2 or more affiliated banks in danger of closing, if they have aggregate total assets of \$500 million or more and if these total assets are equal to or greater than 33% of the aggregate total banking assets of the parent bank holding company. A new vehicle called a "bridge bank" is also established enabling the FDIC to bridge the gap between the failed bank and a satisfactory purchase and assumption or other transaction that cannot be accompanied at the time of the failure. The title also exempts the banking regulators from apportionment and sequestration by the Office of Management and Budget and extends title I (FDIC and FHLBB amendments, and credit union amendments giving the NCUA conservatorship authority) of the Garn-St Germain Act permanently, and title 2 (net worth certificates) of that Act for no more than 5 years.

TITLE VI—EXPEDITED FUNDS AVAILABILITY

The conferees agreed to an expedited funds availability title requiring depository institutions to make funds available for deposits within certain specific time frames. A final schedule and an interim schedule were agreed to. Essentially, the final schedule to be implemented within 3 years after enactment is one intervening day for local checks, and 4 intervening days for nonlocal checks. The interim schedule, which takes effect one year after enactment, is 2 intervening days for local checks and 6 intervening days for nonlocal checks until the permanent schedule takes effect. The House definition of "local check" was agreed upon, meaning a check from the same Federal Reserve check processing region. Special accommodations in this title were also made for cash withdrawals from deposits, and for funds availability generally for deposits made at automated teller machines (ATMs).

TITLE VII—CREDIT UNION AMENDMENTS

In addition to language in title V which grants the NCUA permanent conservatorship authority, the conferees agreed to language which streamlines and assists in the operations and regulation of credit unions, including extending the current 15-year limit for credit union home mortgage and home improvement loans. Another provision allows credit unions to pledge assets to secure certain governmental deposits.

TITLE VIII—LOAN LOSS AMORTIZATION

The conferees agreed to language allowing appropriate Federal bank regulatory agencies to permit any agricultural banks they supervise to amortize any loss on any qualified agricultural loan for any year between December 31, 1983, and January 1, 1992, over as much as a ten-year period, provided there is no evidence of fraud or criminal abuse on the part of the bank leading to the loss. Agricultural banks are defined as FDIC-insured institutions in areas economically dependent on agriculture that have assets of \$100 million or less and which generally have 25 percent of their total loans in qualified agricultural loans.

TITLE IX—FULL FAITH AND CREDIT OF FEDERALLY-INSURED FINANCIAL DEPOSITORY INSTITUTIONS

The conferees agreed to language which declares that it is the sense of Congress to reaffirm that deposits up to the statutorily prescribed amount in federally insured depository institutions are backed by the full faith and credit of the United States.

TITLE X—GOVERNMENT CHECKS

The conferees agreed to require a General Accounting Office study on the issue of government check cashing, with a report due back to the Banking Committees within 6 months. Language limiting the life of a Treasury check, without affecting the underlying claim upon which the check was issued, was also adopted.

TITLE XI—INTEREST TO CERTAIN DEPOSITORS

This title requires the FDIC to pay interest to holders of "yellow certificates of deposit" issued by the former Golden Pacific National Bank.

TITLE XII—MISCELLANEOUS PROVISIONS

Language was agreed upon to examine all types of direct investments made by Federally insured institutions and the effect these investments have had on Federal deposit insurance funds. Such study, to be done by the GAO in consultation with other agencies, must be transmitted to Congress within 6 months of enactment.

I would like to add that it took a tremendous amount of time and staff work to put together H.R. 27, which is one of the largest banking bills which the Committee has ever prepared. I would like to acknowledge the contributions made by the following and thank them for their efforts: Dr. Paul Nelson, Richard L. Still, Jake Lewis, Lee Peckarsky, Earl Rieger, Gary Bowser, Christopher Tow, Ken Clayton, Jim Deveney, Steve Judge, Mary Lou Kelly, Julie Black, Maria Sanchez-O'Brien, and Ann Kline.

A tremendous amount of administrative support staff work was also done accompanying H.R. 27. I would also like to thank the following: Diane Hoag, Beverly Herring, Dorothy Vitale, Sylvia Smith, Stacey Hayes, Jill Delano, John Zimmerman, Tom Adams, and Matthew Maurano.

I would especially like to thank the House Legislative Counsel for banking issues,

James M. Wert, as well, for his expertise and effort in this process.

JULY 24, 1987.

MEMORANDUM

To: All Members, Subcommittee on Financial Institutions Supervision, Regulation and Insurance.

From: Fernand J. St Germain, Chairman.

Subject: Scope of International Banking Hearings.

Hearings will open on July 29 on a number of International Banking issues with testimony by outgoing Chairman of the Federal Reserve Board, Paul Volcker. It is anticipated that Chairman Volcker will discuss the globalization of financial markets and corresponding effects upon U.S. markets and financial institutions. It can also be anticipated that he will discuss continuing Third World debt difficulties and recently proposed governmental initiatives, as well as current major bank actions to increase reserves for future losses. International supervisory initiatives such as recent efforts to increase capital for multinational banking organizations will also be reviewed.

Hearings will continue after the August recess with overview testimony from international bank supervisors (representatives of the Bank for International Settlements) giving the Subcommittee a perspective on supervisory issues from the viewpoint of foreign central bankers. The competitive aspects of uneven international supervision and the difficulty of obtaining uniform agreements on basic definitions and approaches will be examined as a prelude to an examination of the doctrine of "national treatment" versus reciprocity.

Views of the Administration (Secretary of Treasury and State Department) will be presented as part of the overview phase of the hearings. The Baker plan and other Administration initiatives related to Third World Debt will be reviewed. Both State and Treasury will update the Subcommittee on the financial service industry portion of the current free trade zone negotiations with Canada. General testimony on the International Banking Act and the International Lending Supervision Act of 1983 will be presented as well.

Upon completion of the overview phase, oversight hearings will focus on the International Lending Supervision Act of 1983 and the International Banking Act of 1978. The General Accounting Office has been continuously examining the implementation of the 1983 Act and will provide introductory material describing the Act and an evaluation of its implementation. Both the Comptroller and the Federal Reserve Board will provide detailed testimony concerning the operation of both Acts. The subject of country risk standards, application and impact on capital adequacy standards will be examined in depth.

Oversight of the International Banking Act will focus on a number of issues of considerable importance. In view of present international market realities, one of the most significant matters will involve a reexamination of the rationale for permissive treatment of foreign banks insofar as non-banking activity is concerned. The extent of this activity is unclear as is its competitive implication for United States institutions as well as the overall effect on the U.S. economy. Of central importance to the current "national treatment" versus reciprocity debate will be an intensive examination of the treatment of U.S. commercial banking organizations by foreign governments. Sec-

tion 9 of the IBA requires that the Secretary of the Treasury, in conjunction with the Secretary of State, the Federal Reserve Board, the Comptroller of the Currency and the Federal Deposit Insurance Corporation, study and report to the Congress on . . . the extent to which . . . [U.S. banks] are denied, whether by law or practice, national treatment in conducting banking operations in foreign countries, and the effect, if any, of such discrimination on United States exports to those countries.

Of equal importance is the fact that in addition to the study, the Secretary of the Treasury was also directed to . . . describe the efforts undertaken by the United States to eliminate any foreign law or practices that discriminate against [U.S.] banks. . . .

Reports by the Secretary of Treasury dated September 17, 1979; July 5, 1984; and December 18, 1986 have been submitted. These reports will be reviewed and an opportunity accorded all interested parties, domestic and foreign, to testify.

The emergence of regional compacts for interstate banking has raised the question as to whether a conflict of laws issue is involved insofar as the equality of treatment embodied in Section 5 of the International Banking Act is concerned. Certain U.S. banking organizations that are owned 25 percent or more by a foreign bank are, it is contended, likely to become competitively disadvantaged in expansion opportunities as a result of such ownership. This issue will be explored through agency and interested party testimony.

An examination will be made of those countries that do not have a tradition of the separation of banking from commerce as does the United States. The availability and cost of services provided to the general public in such countries will be determined as will the competitive implications of banking/security institutions compared to U.S. banking organizations both abroad and in the United States. Of particular interest will be an examination of those foreign institutions with a grandfathered security position under the IBA.

An effort will be made to obtain foreign analysts as well as domestic witnesses as we begin an evaluation of the Glass-Steagall Act as a part of the Subcommittee's comprehensive hearings.

The rapid movement of capital today in world markets which often exceeds \$1.5 trillion a day flowing through the New York Clearinghouse Interbank Payment System raises serious questions as to the potential impact on our payment system and on financial markets generally. Many observers have noted that the potential for a major shock to the credit system and to security markets clearly exists today. Any examination of our current statutory and regulatory system must of necessity give primary consideration to ways and means of insuring the safety and soundness of our payment system.

Witnesses representing our major money center banks, foreign supervisors and representatives of free world central banks will be requested to testify.

Mr. Speaker, I reserve the balance of my time.

Mr. WYLIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if the Members wanted to justify a "no" vote on the conference report, I could probably help the Members with 50 reasons to vote "no." But I can also give the Members at

least 51 reasons as to why we should vote for this conference report.

The major reason to vote for the conference report is that it authorizes a \$10.825 billion infusion of additional funds into FSLIC. This is absolutely crucial.

□ 1500

No one disagrees that FSLIC needs to be recapitalized. We may quarrel as to the proper amount, but even the U.S. League which opposed the higher \$15 billion plan, agrees that FSLIC needs money, and now.

Right up there at the top as one of the reasons to vote for this conference report is the significant letter from Treasury Secretary Jim Baker to Chairman St GERMAIN, and I quote:

The President has authorized me to inform you he intends to sign H.R. 27 into law if the Congress presents him the bill with your proposed changes in three titles.

Now, the gentleman from New York [Mr. LAFALCE] made an unfortunate statement a little earlier, when he said the President agreed to sign the bill because he is a weak President. The President had a lot of reluctance about signing this bill, may I say to the gentleman, and Treasury Secretary Baker helped persuade him. I have got news for the gentleman from New York. At least one Member of the leadership of the other body thought a veto could be sustained to the original conference report. The gentleman from New York in a letter to his colleagues quoted from the Washington Post of July 5, 1987, in which it says that President Reagan should veto this bill.

The President intervened, a compromise was adopted, and on August 1 the Washington Post changed its position and now supports adoption of the conference report. The Post commented that this is not an ideal bill, but it is adequate and urged the Members of this body to pass it.

So I respectfully submit to the gentleman that the President helped shape this new conference report.

Actually, these changes were compromise changes negotiated between Treasury Secretary Jim Baker, Chairman St GERMAIN, Senator PROXMIRE, Senator GARN, and I myself. I mention this to compliment Chairman St GERMAIN, Senator PROXMIRE, and Senator GARN. They all gave a little and got a little, and Treasury Secretary Baker is to be commended. He was a class act throughout all these negotiations. I know there was a different view on the veto question, even within the administration, even after Secretary Baker was persuaded that with the additional three improvements, it was better for the President to sign H.R. 27.

We are dealing with an extraordinary situation. The whole process of legislating in an area such as FSLIC

recap and the delivery of financial services is complicated and uncertain. Closing the nonbank loophole, placing a moratorium on banks getting into the securities business, the insurance business, and the real estate business calls for important compromises. The whole process of necessity has to be one of compromise.

Whether we like it or not, the President is a key player, and frankly I did not relish the unpleasant task of voting to sustain a veto when I knew this legislation, especially the FSLIC recap provisions, was so sorely needed.

The bill the conference reported is not my favorite position. I would have preferred to be here with a clean FSLIC recap bill today. When the conference opened, I offered a motion that the House go to conference only on a clean FSLIC recap bill. My motion was defeated on an 8-to-11 vote.

When it became clear that the conference was going to deal with the full range of issues contained in the Senate bill, S. 790, every conferee was faced with many difficult choices, and although the conference report is not my favored position or Treasury Secretary Baker's favored position, or more importantly, President Reagan's favored position, it does strike an appropriate balance between the diverse competing interests affected by this legislation.

The \$10 billion is halfway between the House position and the administration position on recapitalization. The \$825 million added to the \$10 billion represents refunds from the secondary reserve, paid into some 10 years ago by S&L's, to insure against prospective losses. The S&L's were promised that the money would be returned. It was in effect a loan. The S&L's never got their money back because FSLIC was going broke. Some marginal S&L's will be helped with this money, which is rightfully theirs. Congressman ANNUNZIO and I offered this as a bipartisan amendment in conference.

Closing the nonbank bank loophole is controversial. I happen to favor closing the loophole and feel strongly that the delivery of financial services has developed in a haphazard and dangerous way. Unfortunately, 168 nonbank banks are grandfathered in, but after the first year their growth will be limited to 7 percent of assets. These nonbank banks are providing services in direct competition with commercial banks, but are not subject to the same regulatory restraints. The banks and S&L's like this title.

Title II the banks do not like. It limits bank powers at a time when many, including the new Federal Reserve Board Chairman, Mr. Greenspan, and probably a majority of the Board favors granting banks additional powers.

This bill would require that Congress revisit the scene—now within 7 months—or all bets are off. The Fed would be free to determine if mortgage-backed securities, mutual funds, commercial paper or municipal revenue bonds, insurance powers or real estate investment powers are bank-related activities.

I think Congress should establish the guidelines; but as I say, our record on this issue is not very good. I think we are probably looking at a stalemate. I think it is important that we give ourselves more time, and this bill does that.

The forbearance section was a real hairshirt. This would allow some failing thrifts the opportunity to work their way out of their problems over a 3-year period of time. Then the forbearance provision sunsets. Again, I do not much care for forbearance, but this is a workable compromise.

The other controversial provision was the one dealing with the acquisition of failing thrifts of over \$500 million in assets by grandfathered nonbank banks and securities firms. While the provision is unpopular with some, given the condition of FSLIC and the industry, I do not believe we can foreclose this possible additional source of capital for the industry.

So because of the critical need to recapitalize FSLIC and the pressure this bill can put on us to finally act to rationalize the structure of our financial services industry, I urge adoption of the conference report and hope that my colleagues will pass it today.

Mr. Speaker, I reserve the balance of my time.

Mr. LaFALCE. Mr. Speaker, I rise in opposition to the bill, and I yield myself such time as I may consume.

Mr. Speaker, I oppose the bill for both procedural and substantive reasons.

I discussed some of the procedural reasons during the debate on the rule. Although I was only able to discuss a few of the procedural difficulties, I will not take any more time discussing those difficulties.

Instead, I will now discuss only the substantive reasons for opposing the bill. First of all, as I said before, there are some good things and some bad things in this bill, at least from my perspective. There are some issues on which reasonable people can disagree.

Let us consider the recapitalization of FSLIC. Some individuals think it is too much, and some individuals think it is grossly inadequate. I happen to think it is inadequate, but that would not be reason enough for opposing the bill or vetoing the bill, other things being equal.

What concerns me more about the recapitalization of FSLIC than the amount are two factors. First, the forbearance provision, and second, the exit fees. I think my thoughts are

fairly similar to the thoughts of the chairman on these issues, because I think he would have liked to have seen no forbearance language and stronger exit fees.

I will say this. The forbearance language that now exists is superior to the forbearance language that was in the original bill and especially that which was proposed initially in the House Banking Committee. But, we should not be in the business of regulating the regulators in this particular legislation. We should be in the business of giving stronger regulation to the S&L's that were doing some pretty bad deeds.

What concerns me about the exit fees is that after the initial moratorium, I am fearful that virtually all your healthy thrifts, who are being depended upon to finance this scheme, might leave the system immediately. I could be wrong on that, but I think it is a very big fear.

Let me go on, however, because I do not think that those reasons would be adequate to oppose the bill or to veto it. What are the reasons I think adequate for opposing or vetoing it?

Let me give you just a few of them. First, the whole subject of nonbank banks, or as I prefer to say, a limited service bank. You know, over the years I have yet to hear one difficulty that has been caused to one person, to one consumer, by a limited service bank. I am really not sure what the problem is that we are attempting to solve. No one today has said what the problem is with respect to such limited service banks.

In any event, we surely should have had separate consideration and vote on that.

A good many editorials have said that this particular provision, which is not a moratorium on such banks, it is a prohibition against them in the future, is anticompetitive and anticonsumer.

Admittedly, in this bill, we did grandfather all existing nonbank banks. But that raises the interesting question, if they are so bad, why do we not eliminate Sears? Why not eliminate J.C. Penny? At least insofar as their ability to have nonbank banks?

Well, they are providing a valuable consumer service. The consumers seem to like the service they are providing. So why prohibit future similar nonbank banks?

We did one thing in this bill, though, with respect to grandfathered nonbank banks that perhaps is the most obnoxious portion of the whole bill: We imposed a 7-percent limit on their ability to grow.

Now, I ask you, when before in the history of the Republic has the Congress saw fit to say to a business, any business, "You shall be able to grow, but by no more than 7 percent. If you

are \$20 billion, you can grow by 7 percent. If you are \$1 billion, you can grow by 7 percent."

So the issue is not the size of the institution. Why then any limitation, much less 7 percent in particular?

To me there is something obnoxious about that. It seems opposed to the capitalist system, opposed to the free enterprise system, for a law to be passed limiting a business' growth. There is something fundamentally wrong with that. Indeed, it is a vital assault on the free enterprise system.

Speaking about 7, there is another 7 figure in this bill that I find particularly bothersome, and that deals with agricultural banks. The agricultural banks have been having some difficulties, as have the S&L's, as have the energy banks, real estate banks, banks with Third World debt, et cetera; but the conferees saw fit to accept a Senate provision that gives a long 7-year writeoff period, an amortization period, for losses incurred by agricultural banks. As a matter of fact, the conferees made this provision retroactive, so if an agricultural bank had a loss in 1985 or 1986, generally accepted accounting principles say you take the loss in that year. Regulatory accounting principles say you take the loss in that year.

This conference report says you can go back now and spread that loss out over a 7-year period. It is phony accounting. It is funny money. We really are undermining the viability not only of those institutions, but in my judgment, in the long-term, the viability of the FDIC.

We are doing for our agricultural banks what we, this Congress, did with the Farm Credit System. We are putting off the day of reckoning and we are making that day of reckoning far, far worse.

We had no hearings on this. We really do not know how bad it is going to be, but I think all of us do think it is going to be bad. Even those who favor the bill shrink when they have to discuss that particular provision.

Now, what else do we do? Some say, well, the report simply imposes a moratorium on certain powers. It is simply a moratorium on the regulators' ability to interpret Glass-Steagall, as Glass-Steagall has existed over the years. It is much more than that however.

The Glass-Steagall Act, for example, has never been applied to State chartered nonmember banks. The report applied Glass-Steagall to such institutions and so there is a tremendous intrusion on State powers in this bill, again uncalled for, again without consideration or hearings.

The report does something else. It interferes tremendously in both the regulatory and the judicial process. We impose a moratorium on securities, insurance, and real estate powers. A

moratorium might not be bad, if it were prospective in nature, but we make our moratorium retroactive in nature, and applicable not simply to regulatory decisions, but also to judicial decisions. Hence, we intrude on the judicial process and on lawsuits presently in process.

The bottom line, I think, is as a good many editorials have said, and I point out again the New York Times:

This lobbyists' stew is a bad bill. It warrants a one-word response from President Reagan—veto.

The President has indicated he is now not going to veto it. I sincerely believe it is because he thought he would not be able to obtain the votes to sustain his veto; but his administration still thinks it is bad, not as bad now as it was a week ago at this time, but almost as bad, because I do not think the compromises that were entered into were really all that significant.

I urge your consideration of the merits of the bill. If we should defeat it, we could come back this afternoon or tomorrow with recapitalization of FSLIC. We would not delay anything at all.

As a matter of fact, I was in the forefront of those urging that a bill recapitalizing FSLIC pass in the 99th Congress and the beginning of this the 100th Congress. We passed such a bill in the 99th Congress, and we could pass another such bill immediately.

Mr. Speaker, I reserve the balance of my time.

□ 1515

Mr. WYLIE. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. Mr. Speaker, there have been two great regulation scandals of the last generation: The first relates to the overextension allowed of money center banks abroad; the second relates to the overextension of thrifts encouraged here at home.

When this bill passed this House, the end result was legislation that in partial measure represented head-in-sand-ism. At a time when the thrift industry had become overextended and too frequently fraught with fraud and abuse, this body stipulated too small an infusion into FSLIC and too lenient forbearance standards on the industry.

This conference report partially corrects both deficiencies. Twice as much capital is infused in the insurance system and, most importantly, the conference committee adopted a strong capital standard that I authored requiring thrifts to recapitalize themselves as the best antidote to public bailouts.

In addition, the so-called forbearance section has been modified with three provisions making it clear that thrift industry regulators can't shrink

from applying the same rigorous standards applicable to the banking industry.

Let me be clear. When regulators are weak in one sector of the financial community, that sector is allowed to grow disproportionately and become a disproportionate liability on the American taxpayer.

For instance, if an individual or group has \$10 million to invest, it is possible to start a bank and be allowed \$120 million in deposits. With the same \$10 million, a savings and loan can be chartered and allowed \$2 billion in deposits—with the taxpayer potentially on the line if imprudent loans or spending practices are made.

This is nuts. It's time for regulatory comparability. This conference committee bill is a step in that direction.

There are fair disagreements that many Members have with this bill. Mr. LAFALCE has with careful argumentation pointed several out. But the overriding issue is the imminence of runs on our thrift system.

Congress simply can't continue to cave in to the high flyers in the thrift industry. Nor can it continue to play Russian roulette with the financial fabric of our country.

This bill deserves passage—now, before it is too late.

Mr. LAFALCE. Mr. Speaker, how much time remains on all sides?

The SPEAKER pro tempore. (Mr. MURTHA). The gentleman from New York [Mr. LAFALCE] has 12 minutes remaining.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, I just want to say I rise in support of the bill and thank the gentleman for yielding me this time. I appreciate being a Member of the conference committee. It was a tough conference with I think some healthy compromises on both sides.

The bill is not perfect; far from it. Our colleague, the gentleman from New York [Mr. LAFALCE], pointed out some of the apparent weaknesses in the bill, particularly the nonbank bank provisions.

I thought our colleague from Virginia [Mr. PARRIS], early in today's debate, spelled out quite plainly the size of our problem in this country in regard to savings and loans. It is not the regulators who close them down, it is public confidence or lack thereof. We have a problem.

A stitch in time saves nine, as the old cliché goes. I think this bill is a stitch in time. It takes no money out of the pockets of taxpayers, increases the public confidence in the system and allows safety and soundness to take a step forward.

I think this is a good bill. I appreciate the work the chairman has done

and I urge support of the conference report.

Mr. LaFALCE. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Speaker, I thank the gentleman from New York for yielding time to me.

I am going to speak in opposition to this bill. It has a number of very important features that are useful, and I think the leadership of the Committee on Banking, Finance and Urban Affairs on both sides deserves a lot of credit for being able to deal successfully with difficult issues.

Unfortunately, my view is that in a couple of very important particulars they have arrived at the wrong conclusion. What we have is something of a philosophical disagreement. I believe that the consumer and the economy are better served by more competition.

We have had some failures in the banking industry in the last few years. Very little of the difficulty we have had has been the result of the move away from regulation. The commercial banks that have gotten into trouble have gotten into trouble because they did what commercial banks are supposed to do, but they did it badly. They lent money in the most traditional ways to people who did not pay it back. That turns out to be not so good a business practice. That has been the cause of most of the bank failures.

What we have in this bill is a response to some of our troubles which I believe truly are philosophically incorrect. It restricts competition, and it does that in 2 separate areas. One in the non-bank bank area where it is a permanent limitation with grandparenting of the banks. I appreciate the fact that has been done, and I think the chairman of the committee and others deserve credit for equity in choosing the March 1987 date. There were efforts to grandfather retroactively, and the notion of retroactive grandparenting is probably as complicated as the one of surrogate parenting, so we probably ought to leave it alone. Having a prospective date was a reasonable thing.

But what we still wind up with is restriction. As I think of the role of some of the financial institutions in this I am reminded of a comment once made by Senator Magnuson when he was chairman of the Senate Commerce Committee many years ago. He said as he dealt with various matters of economic competition and regulation he sometimes thought that all any business in America wanted from government was a reasonable advantage over the competition.

We have a lot of business people in this country who joined some of my Republican colleagues in being very great supporters of free enterprise and competition in general, but being not

too crazy about it in particular. There are a lot of people who think free enterprise is a wonderful thing when it means six other people compete with seven people, but God forbid if anybody gets in their business or competes with them. What we have here is a bill which unfortunately embodies that response.

We ought to be clear what we are doing. We are reregulating to a certain extent in the nonbank bank limitation at the request of many of the financial institutions themselves. The vaunted American preference for free enterprise turns out to be something of a spectator sport. A lot of business people like to watch other people engage in competition, but not engage in it themselves.

Unfortunately, this bill embodies that anticompetitive response from some of the financial institutions. It is why consumer groups are in general in favor of more competition, more creativity, and I particularly regret that the non-bank bank provision is made indefinite.

We then have the moratorium on the exercise by certain commercial banks of powers. Here the securities industry is opposed to competition with themselves. The securities industry used to argue that this was an anticoncentration matter because they were small and competitive and the banks were big. That was an argument that we heard more of when the securities industry consisted of independent companies before they started getting bought out by bigger companies. The argument is still the same.

We are better served by more competition. What we tend to do in legislative bodies, because we hear from the people who are out there, is to be protective of institutions. Preserving existing institutions is really not part of our mandate. What we should be doing is serving the consumer, and the consumer in this case is both the individual and the corporate entity that is trying to raise funds.

We talk a lot about being competitive. This bill strikes me as unfortunately anticompetitive because it favors to a certain extent the institutions that make their money by providing the capital rather than by increasing competition, favoring institutions that would borrow and would therefore be able to get a lesser cost of capital.

So I particularly hope, and I know the chairman will be addressing these matters again today and in future days. I hope that the moratorium is really a moratorium. I know the chairman is well intentioned in this but, as many of us know, the most important factor in politics, particularly in legislative politics, is not money, it is not even popular support, it is inertia. It is so hard in a bicameral legislature, with a somewhat uninvolved Chief Execu-

tive, to get anything done that things at least tend to stay at rest. I hope inertia will not convert this moratorium into permanent legislation.

Mr. St GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO], a member of the conference committee.

Mr. VENTO. Mr. Speaker, I rise in support of the conference report.

It is interesting to listen to the comment that after having 20,000 financial institutions competing that somehow that does not represent competition. What really represents competition is if we could aggregate and concentrate all together, security firms with banks and all commerce and financial institution activities and then spread the mantle of Federal deposit insurance over all of it, somehow then that would constitute competition.

Who is seeking and who has sought these nonbank bank powers, who have granted powers within the States and what types of institutions are in varied degrees of serious distress? The State institutions that have whipsawed into this all too willing Federal regulators. We have had no ability to limit that legislatively. They have granted and extended the mantle and tentacles of Federal insurance over those nonregulated banking activities.

Oh, we want to help the depositors, but clearly we have a problem in terms of trying to redefine that. They want that Federal insurance, they want that blanket of federal/national protection, they talk about competition but in reality, they would like to be like the Japanese and the German banks where one cannot tell where the commerce starts and the banking activity begins nor where the government ends and the private business sector begins.

In this country today we have that distinction. I hope we will keep it, and this bill will permit us to help prevent a further unweaving of the basic economic fabric that has well served our free economy—financial institution activity by its very nature and existence is a government sanctioned franchise, that fact alone ought to strongly indicate the well defined distinction of powers and activities that F. I. engage within, this measure H.R. 27 will enable the national government to carefully and deliberately by law develop policy.

Mr. Speaker, as a member of the conference committee on H.R. 27, I would like to state my understanding on several issues in title I of the bill. Section 104 adds a new stringent standard, the "Qualified Thrift Lender" test, to ensure that thrifts meet their legal mandate. However, recognizing the need for flexibility, the conference committee has provided that FSLIC may grant temporary exceptions from the QTL test when

extraordinary circumstances exist. I believe that this exception would include a situation where an insured institution, acquired pursuant to a voluntary supervisory conversion, was able to satisfy the qualified thrift lender test primarily due to the fact that a significant portion of the non-accruing loans of the insured institution which are assumed by the acquirer and not subject to any FSLIC obligation, are commercial loans which due to their nonaccruing status, cannot be sold or disposed of and result in the institution's inability to be a qualified thrift lender.

In defining qualified thrift investments, it should include investments by an insured institution in mortgage-backed securities such as GNMA's, Fannie Mae's, Freddie Mac's, REMIC's and other securities, the assets of which are exclusively in domestic residential real estate and which otherwise satisfy the investment criteria for insured institutions.

Finally, the words "related to domestic residential real estate or manufactured housing" in section 104 would include, in addition to other items consistent with normal definitions of residential real estate, construction loans on residential real estate, nursing homes, congregate care housing, student housing and dormitories. I would also like to confirm my understanding of title I, section 108 of the banking bill, which codifies leasing authority for national banks.

It is my understanding that the intent of this provision is to simply codify the authority of national banks to engage in lease financing. This authority would permit national banks to enter into such transactions on a "net, full-payout" lease basis, as defined in the regulations of the Comptroller of the Currency (12 CFR 7.3400), up to 10 percent of the bank's assets.

It is my further understanding that national banks would continue to be subject to the requirement that all leases be "net, full-payout" leases, under which the bank may not provide maintenance, repair, or servicing of leased property, and must meet the residual value and other limitations as defined in the regulations of the Comptroller of the Currency (12 CFR 7.3400), up to 10 percent of the bank's singular assets.

Mr. WYLIE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. SHUMWAY].

Mr. SHUMWAY. Mr. Speaker, I stand here this afternoon with mixed feelings. I was one who supported a clean bill as we debated the matter here in the House. I supported the lower funding limits, the \$5 billion, which was the result in the House. And in the conference I voted against this bill and worked to amend it in a

way that would match the work product of the House.

Nevertheless, I am prepared to vote for the conference report this afternoon, and I do that even though I disagree with many of its provisions. But I do it simply because I think there is an overwhelming good to be accomplished, and that is refunding of the FSLIC organization, providing the necessary capitalization so that the industry in this country can get back on its feet.

This bill does provide \$10.8 billion to recapitalize FSLIC. It does contain forbearance provisions, it does repay the secondary reserves to savings and loans.

But I find particularly reprehensible in the bill title I. I have opposed this title, as I did in the conference committee, because I think it only protects the existing market situation. It keeps problems that we now have in the status quo. It freezes out competitors and, as has been already addressed here, I think especially unwelcome in our system is the 7-percent cap on growth. I think that kind of cap or ceiling has no place in American orientation, it does not provide for the growth and profits and provide the needed goods and services that we generally recognize.

Likewise, I am very much opposed to title II. I think it is anticompetitive. Certainly it penalizes banks, and as title I, I think it represents a move backward toward more regulation, not recognizing freer markets and competition which ultimately benefit the consumer most.

But title VI in the bill is one I think that addresses a current need in America, providing for expedited funds availability. It gives banks a 1-year leadtime to prepare for new schedules, a 2-year interim schedule, and provides for a good faith exemption to protect them from fraud or other risks, and has special provisions for automatic teller machines.

□ 1530

Mr. Speaker, there are good points and bad points in this legislation. But I believe on balance that the good points outweigh the bad because there is an urgent crisis in our country that needs to be addressed and that is the crisis represented by the need to recapitalize the FSLIC.

On balance I think those positive features outweigh the negative.

For that reason, Mr. Speaker, I am prepared to vote in favor of the conference report and urge my colleagues to do likewise.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Ms. OAKAR], a member of the committee and of the conference committee.

Ms. OAKAR. I thank the chairman. I want to commend the chairman first

of all. I think he really towed the mark. I did not agree with everything he did in the conference committee but he did a good job in getting out a bill.

The American people really want to have confidence in their financial institutions. And really and truly I think it comes down to this: You can quibble about details in the bill, and this is a compromise, and not everyone likes the bill in its entirety, but the fact is that what we are saying today, in my judgment, is whether or not we support the S&L industry. That is the bottom line. They need to have the reserves in their insurance fund so that the American people will have a renewed confidence in what is an important industry.

This is an industry that has as its primary purpose, in terms of its creation by Congress, to serve Americans who want to own their own home. So if you believe in the industry, vote for the bill.

Mr. Speaker, as a conferee to S. 790, the bill to recapitalize the FSLIC fund, I would like to extend my strong support for this much-needed legislation. This conference report presented before the House today has my full support and should be acted upon as quickly as possible.

Mr. Speaker, no conference agreement is perfect, and not all compromises satisfy all concerned parties. But what we have here, Mr. Speaker, is a good agreement, a good compromise, and some very necessary consumer assurances that the U.S. Government is backing the insurance fund faithfully and adequately.

This legislation will restore the confidence of the American people who have billions of dollars in depository accounts within this country's savings and loans. Mr. Speaker, I support and urge the House to come together and demonstrate to the American people with savings and loan deposits that the House is firmly behind the savings and loan industry.

The sum of money available within the FSLIC fund is at the critical stage. Currently, it is reported that the FSLIC fund is more than \$6 billion in the red. The Federal Home Loan Bank Board recently stated that the cost of taking over problem thrifts has grown to the incredible amount of \$6 million per pay. The GAO reported to the Congress last year that further delaying a resolution to the problem cases within the savings and loans will add substantially to the ultimate, final cost of the industry, as well as to the economy. Furthermore, the lack of a substantial pool of financial strength at the insurance level disallows the thrift managers, depositors, and others who wish to inject much-needed capital into the thrifts any guideline as to a source of stability. Lack of stability and confidence in this country's financial industry, specifically the savings and loans, is a severe detriment to future operations. Confidence and stability are the cornerstones for this country's financial strength.

Mr. Speaker, in this legislation before the House today, the conferees agreed to an exit

fee of two-plus-two, or 2 years' premium and 2 years' special assessment. This level was originally proposed by the House, and the Senate initially rejected it with their own proposal to raise the fee to six-plus-six. Within the spirit of compromise, conferees agreed to retain the House portion of two-plus-two and include a 1-year moratorium on institutions leaving the FSLIC. This exit fee is a fair provision that provides for a reasonable approach without imposing a punitive fee to further discourage much-needed capital. In addition, a fee of this magnitude will allow the thrifts to adjust to rapidly changing market conditions without an untimely cost imposed upon the operation. The fee tailored within this conference report will permit the savings and loans to diversify for their ultimate survival.

Mr. Speaker, what we have before us is the most sweeping financial industry legislation in 7 years. Both the House and Senate held extensive hearings and will hold further hearings on the proposed legislation. This broad, comprehensive banking bill before the House today is quite an amazing compromise. The moratorium on all nonbanking activities—March 5, 1987 through March 1, 1988—will allow the Congress to conduct valuable research and hearings in the area of combining commerce with banking. Also, the nonbank bank provision that puts a necessary limit on the amount of nonbank banks within current operations is very important. Restricting no other entity after March 5, 1987 makes good sense for the consumer and allows regulators to monitor this limited number of financial companies adequately.

Mr. Speaker, one aspect of this bill, which is very close to my heart as well as others, is the Expedited Funds Availability Act. This significant piece of legislation would provide uniform scheduling practices by banks concerning when checks are to be deposited and cleared. This act would prevent arbitrary policies imposed by various financial institutions regarding when the check would be credited.

Mr. Speaker, let me say for the record that I am proud of this conference report and admire the efforts from both sides of the aisle, as well as the other Chamber. The conferees recognize the urgent need for compromise and recapitalization. I strongly urge my colleagues to follow suit. As a senior member on the banking committee, my philosophy has always been "better bend than break." If members are not willing to accept the current conference report with its compromise, then the FSLIC fund, which is in such need of recapitalization, could possibly break.

To reach final agreement, Mr. Speaker, conferees made significant compromises. With sweeping legislation such as this, further compromises are necessary to satisfy all branches. I commend our good chairman, Mr. ST GERMAIN, for his sense of compromise and for moving this conference session so expeditiously. Obstacles always appear when you take your eyes off the main objective. Of course, there are always obstacles when legislation of this magnitude comes about, but our good chairman always kept the conferees focused within the scope of the ultimate goal—recapitalization of the ailing FSLIC fund as quickly as possible.

As William Wrigley, Jr., the chewing gum magnate, once said, "fools bite one another, but wise men agree together."

I urge strong support of this conference report and this imperative financial industry legislation.

Thank you, Mr. Speaker.

Mr. LAFALCE. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Speaker, I rise reluctantly to oppose this conference report. I am not going to rehash all the arguments which I made during the rule.

But I would like to start out by saying that I support the enactment of legislation to recapitalize the Federal Savings and Loan Insurance Corporation. It is imperative that we take quick action to shore up the sagging public confidence in our Nation's thrift industry. However, I oppose H.R. 27 because, unlike the legislation approved by the House, this bill is highly controversial and could actually undermine the safety and soundness of our Nation's thrift and banking institutions.

On May 5, this body approved a FSLIC recapitalization plan that was extremely responsive to the funding needs of the FSLIC, as well as the long-term viability of the thrift industry. But the conference committee went on to ignore the overwhelming sentiments of the House by more than doubling the funding level of the FSLIC recapitalization plan. And, after narrowly defeating, by a vote of 11-9, an effort to keep the legislation free of extraneous amendments that have nothing whatsoever to do with the FSLIC problem, the conference committee went down the line and accepted virtually every controversial provision in the Senate's banking bill, without hearings or debate either in the banking committee or on the House floor.

In my view, the \$10.824 billion recapitalization level will saddle the thrift industry with a massive debt burden that would preclude any prospect for recovery well into the next century. Such a plan places in jeopardy the net worth of the healthiest institutions, and discourages outside investors from bringing new capital into the industry. The strong institutions will seek to escape the fund, as evidenced by the fact that 10 of the Nation's largest thrifts have already applied to convert to FDIC insurance. Ultimately, the result will be an increase in FSLIC's cost burden, and a reduction in the premium base upon which FSLIC must rely for recapitalization.

The \$5 billion plan that the House initially approved is a far superior plan. Along with an estimated \$5 billion for premiums and other sources, it would provide FSLIC with about the same level of funds over the next 2

years. At the same time, it would provide Congress with the opportunity to keep a closer watch on the operations of FSLIC. The agency's controversial actions are the primary reason there is forbearance language in the bill.

The GAO testified before the House Banking Committee that a desired ingredient in any recapitalization plan would be greater oversight by Congress. If the FSLIC has to return to Congress for more borrowing authority in 2 years, oversight is automatically built into the program.

Even more objectionable than the funding level is the fact that the FSLIC plan is being used as a vehicle to enact extraneous amendments under the guise of competitive equality, and safety and soundness. The financial status of the FSLIC is a real emergency; much of H.R. 27 is not. H.R. 27 is anticompetitive and anticonsumer.

Finally, I would like to make a few comments regarding the conference on H.R. 27. An amendment was proposed to extend the scope of the moratorium on regulatory action in the area of bank and bank holding company securities activities beyond that contemplated by the Senate bill. This amendment was not subjected to hearings and represents new matters not addressed by either body. It was agreed to sight unseen by the conferees. When a copy of the amendment was made available, its full scope and potential for disrupting the stability of the current financial system became apparent. Changes were made at the request of the conferees of the House and Senate.

The securities moratorium in section 201(b)(2) only forbids Federal banking agencies from authorizing banks to engage in securities activities that had not been authorized prior to March 5. It was not intended to prohibit a bank or bank holding company or their affiliates from engaging in a securities activity that was permissible for banks or bank holding companies or their affiliates prior to March 5, regardless of whether the particular bank or bank holding company or affiliate itself engaged in the activity prior to that date.

The conference in no way intended to impose upon any of the Federal banking agencies any affirmative duty that would limit the usual and customary discretion that they exercise in pursuit of their regulatory and administrative duties. Also, section 201(b)(2) is not intended to make any changes in the substantive law regarding the legality of a particular securities activity. It is also not intended to be construed as a congressional judgment on whether existing law does or does not permit a bank or its affiliates to engage in particular securities activities.

In addition, section 201(b)(2) was not intended to cover those activities that might be engaged in with only prior notice to the relevant agency. Those activities are considered to be already legally authorized in writing and continue to be permissible.

The conference report reflects the agreement of the conferees on the meaning of the bill. Therefore, efforts to give new meaning and scope to this language in a unilateral fashion are inappropriate. This language is a product of much negotiation and compromise and stands as reported by the conference committee.

Mr. Speaker, H.R. 27 is bad banking legislation, and I urge my colleagues to reject it. In doing so, we should insist that the banking committee immediately report back to the House a measure which will provide a genuine solution to the financial problems of our Nation's thrift industry—without the regressive and restrictive amendments contained in H.R. 27.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. HUBBARD], a member of the committee and of the conference committee.

Mr. HUBBARD. Mr. Speaker, I rise as a member of the banking conference committee which labored over the final language of this important bill and its accompanying report. I want to address in particular the moratorium provision, section 201.

As the conference report makes clear, the moratorium has a limited purpose. As passed by the Senate, its sole effect was to prevent the Federal Reserve Board from making effective, until March 1, 1988, any approval of an application by a bank holding company to underwrite bank-ineligible securities through a nonbank subsidiary if the approval required a determination that the subsidiary was not "engaged principally" in such new activities.

The conference committee agreed to this moratorium and, in a very late addition proposed by my distinguished colleague from New York, Mr. SCHUMER, also agreed to extend the moratorium to the approval of new securities activities by the Comptroller of the Currency. I want to emphasize my understanding, based on the explanation of the amendment by Mr. SCHUMER, that it was designed as a technical correction that would assure that the moratorium was effective to prevent the banking agencies from approving new securities activities.

It is very clear from the history, purpose, and text of the moratorium that it is simply a short-term freeze and suspends the effective date of approval of new securities activities by the Federal bank regulatory agencies. If an activity was found to be permissible for banks or bank holding companies prior to March 5, 1987, the moratori-

um does not affect it. Any banking institution can continue to engage, or begin to engage in such an activity, subject to existing laws unaffected by the moratorium.

I understand a question has been raised as to whether the moratorium prohibits banks and bank holding companies from underwriting securitized assets, or perhaps those registered with the SEC. Nothing in the bill or the conference report says this. My understanding is directly contrary. The trend toward securitization of assets—for example of consumer receivables and of residential mortgages held by banks—began several years ago. The authority for a bank to participate in the sale of such securitized assets—which is often a part of the bank's funding activities—is longstanding, and preexists March 5, 1987. One example of this is the Comptroller's May 22, 1986, letter regarding Liberty Norstar Bank and the authorities it cites. The moratorium is not intended to make banks dismantle these programs or their plans to undertake them. Indeed, as a practical matter, looking at the banks' track record with securitization of bank assets will be very helpful to the committees, as we address the question of the role of financial institutions in the evolving capital and securities markets.

I also want to assure my colleagues that the moratorium does not limit the enforcement authority or discretion of the Federal bank regulators. When the bill speaks of prohibiting authorization of new securities activities by "inaction or otherwise," what we're talking about is the kind of situation where a statute or a regulation provides that an application to do something shall be deemed approved if the agency has not disapproved it within a certain number of days. In addition, the bill does not confer a private right of action against any agency, nor, of course, against any particular banking institution. If the conferees wished to create a private right of action, we would have done so with specific language.

I want to express appreciation to and compliment Chairman FERNAND J. ST GERMAIN, staff director Dr. Paul Nelson and the staff of the House Banking Committee for their efforts on behalf of H.R. 27.

I urge my colleagues to support H.R. 27, a conference compromise of complex issues which President Reagan, Treasury Secretary James Baker, and a majority of the Members of the 100th Congress now support.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Speaker, I rise in strong support of the conference report.

When H.R. 27 passed the House, I was among a handful of Members who voted "no."

My reasons were twofold.

First, the \$5 billion recap level was ridiculously low.

Second, the bill's bargain basement exit fees sent a clear message: If the going gets tough, tough thrifts should get going—from the FSLIC to the FDIC.

The \$10.8 billion recapitalization the conference report provides is far more realistic.

It's still not enough, but we're getting closer. Give us another Congress or two and we'll catch up to the real world.

I was especially pleased the conference report includes a temporary moratorium on thrift exits from the fund.

With that provision, we have breathing room to tackle an issue which may determine whether FSLIC will be "recapitalized" or "lemonized."

Ultimately, I believe Congress must require healthy thrifts which abandon the FSLIC for FDIC to pay a substantial departure fee.

If we do not, healthy thrifts will leave the FSLIC fund in droves.

When that happens, taxpayers will be asked to bail out an FSLIC fund dominated by failing thrifts.

The conference agreement also deserves a yes vote for reasons not directly related to the FSLIC issue.

It closes a gaping loophole in existing law which fostered the haphazard development of poorly regulated non-bank banks.

The conference agreement strengthens consumer rights by limiting the amount of time a bank can hold your check.

The moratorium on new bank powers will, I believe, force Congress to come to grips with this issue.

It would be a good idea for Congress to come to grips with the whole issue of Federal deposit insurance.

Mark my words.

This is the beginning of the deposit insurance debate, not the end.

To limit Federal bailouts and inspire depositor confidence, we must lay the groundwork for the merger of funds.

Putting out fires, one fund at a time, sends a dangerous signal to the marketplace.

One well-managed and well-capitalized financial institution insurance fund which insures all deposits is both desirable and inevitable.

Congress has a choice.

It can arrange a "shotgun marriage" of the funds during a period of severe fiscal crisis.

Or it can devise an orderly, step-by-step merger of the funds over a period of years.

The latter approach makes far more sense. I am now drafting legislation to do just that.

If we do not, we risk collapse in not only the thrift system, but also the bank system.

Mr. Speaker, by adopting the report, we take the first step toward comprehensive reform of our deposit insurance system.

I urge the adoption of the conference report.

Mr. WYLIE. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. WORTLEY].

Mr. WORTLEY. Mr. Speaker, I rise in support of this legislation, but not without serious reservations. What started in the House as an emergency measure to recapitalize the savings and loan insurance fund has grown to include several controversial items. These items are responsible for delaying this entire process, and they demonstrate that Congress is still failing to recognize new developments in the financial services marketplace.

For example, despite the Federal Reserve Board's carefully considered decision to allow banks limited authority to underwrite and deal in commercial paper and other securities, this bill places a moratorium on those decisions harming the ability of banks to compete both domestically and internationally. With their Third World debt burdens, it is vitally important that banks remain competitive in today's financial services marketplace. And even more so, it is important to consumers.

The cost of homes and other large purchases could be decreased if banks were allowed to better fulfill the needs of their customers in the most cost-effective manner possible. Municipalities could fund important construction projects with revenue bonds at a lower cost to taxpayers if banks were allowed to compete with Wall Street firms in this area. Both large, established businesses and smaller, startup firms would find the cost of essential investment capital lower if banks could compete in the commercial paper market.

In addition, the concept and advantages of the dual banking system have been eroded by the provision in the bill extending provisions of the Glass-Steagall Act to State-chartered banks which are not members of the Federal Reserve System. This action was opposed by the National Conference of State Legislatures and the Conference of State Bank Supervisors. Without the ability to offer new powers, States will find it increasingly difficult to sell troubled banks and thrifts in order to protect depositors. Innovation in solving economic problems will be stifled. In my own State of New York, State-chartered banks have been permitted to be affiliated with securities firms subject to certain limitations. It was anticipated that this power would be used to spur industrial development.

As a conferee, I wish to reiterate that the moratorium provision of section 201 has a limited purpose. It is clear from the history, purpose and text of the moratorium that it is simply a short-term freeze which temporarily suspends the effective date of approval of new securities activities by the Federal bank regulatory agencies. If an activity was found to be permissible for banks or bank holding companies prior to March 5, 1987, the moratorium would not affect it.

Furthermore, it is my understanding that the conference in no way intended to remove any enforcement discretion that Federal banking agencies may now exercise with respect to the securities activities of banks, bank holding companies, and their affiliates. This legislation does not judge whether existing law does or does not permit a bank or its affiliates to engage in particular securities activities.

The legislation is not intended to prohibit a bank or bank holding company or their affiliates from engaging in a securities activity that was permissible for banks or bank holding companies or their affiliates prior to March 5, 1987, regardless of whether the particular bank or bank holding company or affiliate itself engaged in the activity prior to that date.

This legislation also closes the non-bank bank loophole to prevent the mixing of banking and commerce which resulted after unilateral and questionable action by unelected regulators. Nonbank banks were a result of an unforeseen and technical loophole in the Bank Holding Company Act, and this unfortunate situation will now be corrected. However, I am concerned about the ability of the grandfathered institutions to effectively conduct their businesses. These institutions complied with the law as it was written, and they should not be penalized for their entry into banking. This bill imposes restraints on growth and marketing activity which may prove unworkable and unwise.

Consumers will benefit particularly under one section of this bill which limits the time a bank may withhold on checks deposited by customers. Within 3 years of enactment, checks drawn on local banks must be available on the second business day after deposit, and nonlocal checks must be available no later than the fifth business day after deposit. Next-day availability will be required for cash deposits and Government checks. This is essential legislation to protect the rights of consumers who often must have timely access to their money to pay everyday living expenses.

But the primary reason I believe this legislation should be approved is because of the provisions recapitalizing the savings and loan insurance fund and allowing regulators emergency ac-

quisition authority. The amount of recapitalization has been nudged upward toward a more rational and reasonable level, and confidence in the system should soon be restored. The issue of the secondary reserve has been resolved, and the provisions requiring GAAP accounting by S&L's have been made more workable. Emergency acquisition authority will allow the FDIC to handle failed and failing institutions in a more efficient and cost-effective manner. Since taxpayer funds are ultimately backing the FDIC, this is a comforting prospect.

Despite its faults, this bill is a product of much discussion, heated debate, and frequent votes. It is a compromise that pleases some more than others, but time has run out and its provisions affecting the stability of the S&L industry must be enacted now.

I urge an affirmative vote on this legislation by my colleagues.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. LEHMAN].

Mr. LEHMAN of California. Mr. Speaker, I rise in support of this compromise package which I think is the best possible compromise the committee could come out with.

Mr. Speaker, I would like to engage in a colloquy with my friend from New York [Mr. SCHUMER].

Mr. Speaker, as a member of the conference committee on H.R. 27, I seek clarification as the author of an amendment to title II of that bill pertaining to a moratorium on certain nonbanking activities by bank holding companies or insured banks relating to securities. Specifically, I refer to section 201(b)(2)(C) concerning operating a nondealer marketplace in options. Am I correct in stating that the application of the moratorium in title II to this particular activity is not intended to curtail the provision by bank holding companies or a subsidiary or an affiliate of a bank holding company of traditional banking services in connection with all types of securities trades by acting as a custodian, a transfer agent, or handling the disbursement of funds or serving as a clearing agency or otherwise acting as an agent on behalf of a customer?

Mr. SCHUMER. My friend from California is correct. In offering my amendment to title II concerning the operation of a nondealer marketplace in options by a bank holding company or a subsidiary or affiliate thereof, it was not my intention to curtail those traditional banking activities which you have enumerated from being offered by those entities subject to the moratorium.

Mr. SCHUMER. Mr. Speaker, will the gentleman yield?

Mr. LEHMAN of California. I yield to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. I thank the gentleman for yielding.

Mr. Speaker, my friend from California who has worked so hard and diligently on this and other provisions of the bill is correct. In offering my amendment to title II concerning the operation of a nondealer marketplace in options by a bankholding company or subsidiary or affiliate thereof, it was not my intention to curtail those traditional banking activities which the gentleman has enumerated from being offered by those entities subject to the moratorium.

Mr. LEHMAN of California. I thank the gentleman for his contribution to the legislation and especially compliment our chairman, Mr. ST GERMAIN, our ranking minority, Mr. WYLIE, for an excellent package.

□ 1545

Mr. WYLIE. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. PASHAYAN].

Mr. PASHAYAN. Mr. Speaker, I wish to commend my colleagues who serve on the Banking Committee; I believe they have produced a fine piece of legislation, worthy of our support. There are some provisions of particular merit or concern to the thrift industry that deserve our special consideration.

First, the legislation creates in section 407 an informal appeals process for resolving disputes that arise in examining and supervising the thrift industry. The Federal Home Loan Bank Board is directed to establish an informal review procedure for appealing such disputes to an independent arbitrator appointed by the principal supervisory agent in each district. The Board must develop a set of regulations for executing this appeals process. In that rulemaking the Board should address such matters as how this appeals process relates to other dispute resolution processes in law or regulation; when the board itself should take discretionary review of questions decided at lower levels under those processes; and when the failure of board personnel to take timely action in supervisory matters should be the grounds for review. The board should immediately begin a rulemaking that includes a public hearing to resolve these matters and other questions presented by section 407.

This Chamber can be especially proud of the work done by its conferees in correcting the inequity of the confiscation by the Federal Home Loan Bank Board of the prepaid insurance premiums of certain thrifts held in a secondary reserve by the Federal Savings and Loan Insurance Corporation. The resolution of this matter contained in section 307 is confirmation of the congressional intent that the secondary reserve belongs to the institutions that contributed to it and

should be considered an asset of these institutions. Section 307 ensures that every cent of that asset will ultimately be returned to those institutions through offsets against FSLIC special assessments and premiums. For institutions that leave FSLIC before recovering all of their share of the secondary reserve, it can be applied to offset the special assessment portion of the exit fee authorized by section 302 of this legislation.

I am also happy to see that the House-initiated upper limit on exit fees to be imposed on institutions moving from FSLIC to FDIC insurance has been adopted by the conference. While some have argued for much higher amounts or other administrative barriers, the provision in section 302 requiring an exit fee of two times an institution's annual premium plus two times its special assessments is fair and reasonable. The legislation has the clear intent of allowing institutions that qualify for FDIC insurance to transfer to that system without unreasonable delay, if they pay an equitable exit fee. Specifically, the Board should not attempt to use the authority it has recently asserted in its transfer of assets of insured institutions rule to delay or restrict the transfer to FDIC of a qualifying institution. That would provide a welcome degree of certainty on this question for institutions whose business decisions lead them to believe that the FDIC would be a more appropriate insurer for them.

For State-chartered savings banks insured by FDIC and in existence on or before March 5, 1987, section 101(d) of the legislation resolves an important dispute concerning the degree to which the Federal Reserve Board can restrict their activities under provisions of the Bank Holding Company Act. The section specifically provides that existing state-chartered savings banks may continue to exercise all non-insurance powers granted to them by state law without such restriction by the Federal Reserve Board. The legislation does not address the question with reference to newly formed State-chartered savings banks. No inference may be taken from the bill's silence on this question. Simply stated, the legislation grants no new authority to the Federal Reserve Board or other Federal banking agencies to restrict the State-granted powers of existing or new State-chartered savings institutions.

Finally, I must raise some serious concerns about one section of this legislation. I have deep reservations about the potential for inequitable treatment of thrift institutions under section 406. This section, which was not in either the House or Senate versions of the bill before conference, grants the bank board authority to establish minimum capital requirements

for thrifts. The provision specifically references similar authority granted to Federal banking agencies in the International Lending Supervision Act of 1983 and indicates that the board's capital requirements should be "consistent with" those of the banking agencies. I want to state plainly that there is no requirement that the Board shall adopt precisely the same treatment of capital for thrifts as the banking agencies do for commercial banks. For example, in section 402 of this legislation Congress has specifically authorized the inclusion of subordinated debt and goodwill in computing capital levels for thrifts in a manner that is different from that used by commercial banks. The board should understand that such treatment is to be continued under any capital requirements adopted pursuant to section 406.

Even more troublesome is a provision in section 406 that would allow the board to alter minimum capital requirements, case by case. The potential for inequitable treatment is so great that I am compelled to indicate in the strongest possible terms that the bank board must recognize the extraordinary nature of such authority. The Congress does not intend that such authority would ever be used in the absence of a rulemaking that establishes clear guidelines for establishing capital requirements. The bank board is not free to accord less than equal protection to any individual institution. Similarly, it is not free to utilize such extraordinary authority as a means of undermining the dual banking system. The Congress, and this member in particular, will be watching closely to see that the authority is not used in any manner to control indirectly the activities of State-chartered institutions. Congress does not intend that the bank board use this authority to assign prohibitive capital requirements to the exercise of business activities authorized by the states for State-chartered thrifts. The bank board should give these concerns very careful consideration in a public rulemaking proceeding and should be very cautious with such potentially controversial authority.

The conference has fashioned a sensible piece of legislation that deserves our support. It assigns to the Federal Home Loan Bank Board the responsibilities that must be carried out with great care. It is our dual responsibility first to adopt this legislation and second to keep a very watchful eye on the bank board's exercise of its duties.

Mr. WYLIE. Mr. Speaker, I yield 2½ minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Speaker, I support the conference report on H.R. 27, and I urge every Member of the House

from every region of the country to vote for it.

I am grateful for the bipartisan support and the leadership on a bipartisan basis that this bill has enjoyed and the effort of the administration to come out with a bill that is both significant and the best legislation that is available today.

This legislation is not perfect. I would have preferred some changes in it. I would have preferred clean FSLIC legislation, but due to the legislative process, that was not to be.

This legislation, however, is emergency legislation. It is emergency legislation that was first called to our attention in March, 1986 when we were told by FSLIC that FSLIC was an insurance fund without any funds. This legislation restores some of the funding to FSLIC in order to provide for insurance for depositors from all parts of this country. It is a nationwide insurance. The legislation provides for \$10.8 billion in recapitalization.

I would have preferred the full \$15 billion that was offered, but \$10.8 billion is the level that is available today. It will get us started. It is sufficient for capitalization for the next several years.

Mr. Speaker, on the issue of the so-called forbearance section of the legislation, title IV, it is somewhat of a misnomer to call it forbearance because what this legislation does is indeed to require that those institutions that are so deeply insolvent that they cannot bring themselves back to health would be closed or merged with the assistance of FSLIC into a healthy institution. That in and of itself will bring down the cost of funds for the savings and loan industry across this country.

Those other institutions, however, that can demonstrate that they can work their way back into health and that are at low levels of profits because of the economy in general will be permitted to work their way back to health.

The heart of title IV is a change in the regulatory environment. It is a change that would mandate the use of generally accepted accounting principles in arriving at values and other regulatory matters. In fact, the only provision this bill makes when regulations are different from GAP accounting is when those regulations will be consistent with commercial banking regulations that are traditional and long used. Most of the problems in the economy in many areas are due to overbuilding and overlending.

Mr. Speaker, I urge a "yes" vote on this legislation.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SCHUMER], a member of the conference committee.

Mr. SCHUMER. Mr. Speaker, first I want to express my admiration and respect for the chairman of the commit-

tee, the ranking member of the committee, and all those who worked on this bill. It is awful difficult to pass banking legislation these days, with so many cross-cutting interests and very little national conception as to what the general and national interest is, let alone the interests on behalf of our constituents. When I pop into O'Halloran's pub in my district, I rarely hear one of the fellows say to me, as I am visiting my constituents, "Hey, Charlie, what's going on with Glass-Steagall?"

The second thing that I would say is that the three changes that have been added to the bill as a result of administration pressure all make the bill better. So I think if Members voted for the bill the last time, we have even a better bill this time.

Third, on the moratorium section, both the particular section on the Comptroller and the general section which I authored, let me state first that it is intended as a broad-based general moratorium, not just limited to principally engaged but in general to all.

Finally, on section 201(b)(2)(B), it is clear in debate and it is clear now, despite what both sides are saying, that the March 5, 1987, deadline is what was intended. That means that the Comptroller of the Currency's assertion that banks and their subsidiaries can participate as underwriters in the public sale and distribution of bank asset-backed securities contravenes what we did here today, or what we did contravenes what they did. The bill would allow an exception for one, and only one deal, that of Marine Midland, which closed prior to June 30.

So, therefore, while activities that were done before March 5, 1987, allowed by action or inaction of the Comptroller, will continue to be allowed, activities done after March 5, 1987, will not be allowed, at least until the time the moratorium expires.

I have heard it said that the Comptroller intends to simply go ahead and allow more deals like the Marine Midland deal, and the judgment of the author of this provision, that would directly contravene what Congress did, and in fact it would show in my opinion some contempt for our legislative authority.

Mr. Speaker, I thank all of those who worked on this bill and I yield back the balance of my time.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. BARNARD], a member of the conference committee.

Mr. BARNARD. Mr. Speaker, I rise as a member of the conference committee which labored over the final language of this important act and its accompanying report to state my understanding of certain provisions in these documents. I do so in order to make explicit a number of matters

which might be subject to misinterpretation or to give emphasis to a number of points which have proven particularly contentious.

I would like to summarize three points, first, and return to them in some detail later.

With respect to the moratorium provisions of section 201, it is very clear from the history, purpose, and text of the moratorium that it is simply a short-term freeze and suspects the effective date of approval of new securities activities by the Federal bank regulatory agencies. Any securities activities authorized in writing, or engaged in, by any specific banking organization, prior to March 5, 1987, may also be engaged in during the moratorium by any other banking organization. Put otherwise, section 201 treats grandfathered activities generically and does not subject them to an *ex post facto*, case-by-case review.

Another point that should be made is that the "new activity" restrictions in title I on grandfathered nonbank banks relates to the activities they were offering to the public on March 5, 1987, and not to the services that they might obtain or were obtaining from the Federal Reserve under section A of the Federal Reserve Act before, on, or after March 5, 1987. These services are not proper activities. With the exception of statutory provisions related to daylight overdrafts, we did not try to amend section 11A of the act, with respect to grandfathered nonbank banks. We only cut exempted, as opposed to grandfathered, nonbank banks out of section 11A services.

Finally, I believe that for purposes of section 101(c) of the bill, in its new addition of (f)(2)(ii) to the Bank Holding Company Act, that "shares acquired in a bona fide fiduciary capacity" is intended to encompass, for the purposes of the exemptions at that point in the bill, shares held in "street name."

Turning to a more extended treatment of these subjects, first, I want to address in particular the moratorium provision, section 201.

As the conference report makes clear, the moratorium has a limited purpose. As passed by the Senate, its sole effect was to prevent the Federal Reserve Board from making effective, until March 1, 1988, any approval of any application by a bank holding company to underwrite bank-ineligible securities through a nonbank subsidiary if the approval required a determination that the subsidiary was not "engaged principally" in such new activities.

The conference committee agreed to this moratorium and, in a very late addition proposed by my distinguished colleague from New York, Mr. SCHUMER, also agreed to extend the morato-

rium to the approval of new securities activities by the Comptroller of the Currency. I want to emphasize my understanding, based on the explanation of the amendment by Mr. SCHUMER, that it was designed as a technical correction that would assure that the moratorium was effective to prevent the banking agencies from approving new securities activities. It is my understanding that the amendment by Mr. Schumer to section 201 was designed as a technical correction that would assure that the moratorium was effective to prevent the banking agencies from approving new securities activities. I should like to also add that, of course, this technical amendment is not intended to alter the historic and productive methods that the agencies use to communicate their views to the industry and other interested parties. Banks or their counsel routinely obtain the views of the agency, not because the law requires agency "approval" of an undertaking, but because keeping banks current on the agency's position is an important part of the regulatory process. The propriety of an agency's responding to these day-to-day requests for informal advice is not affected by the moratorium. When the moratorium talks about "approval," we're really just talking about those obviously new activities, such as applications under § 20 of the Glass-Steagall Act, or approval of new operating subsidiaries to engage in activities.

It is very clear from the history, purpose and text of the moratorium that it is simply a short-term freeze and suspends the effective date of approval of new securities activities by the Federal bank regulatory agencies. If an activity was found to be permissible for banks or bank-holding companies prior to March 5, 1987, the moratorium does not affect it. Any banking institution can continue to engage, or begin to engage in such an activity, subject to existing laws unaffected by the moratorium, regardless of whether the banking institution engaged in the activity prior to March 5, 1987.

I understand a question has been raised as to whether the moratorium prohibits banks and bank-holding companies from underwriting securitized assets, or perhaps those registered with the SEC. Nothing in the bill or the conference report says this. My understanding is directly contrary. The trend toward securitization of assets—for example of consumer receivables and of residential mortgages held by banks—began several years ago. The authority for a bank to participate in the sale of such securitized assets—which is often a part of the bank's funding activities—is longstanding, and preexists March 5, 1987. One example of this is the Comptroller's May 22, 1986, letter regarding Liberty Norstar Bank and the authorities it

cites. The moratorium is not intended to make banks dismantle these programs or their plans to undertake them. Indeed, as a practical matter, looking at the bank's track record with securitization of bank assets will be very helpful to the committees, as we address the question of the role of financial institutions in the evolving capital and securities markets.

I also want to assure my colleagues that the moratorium does not limit the enforcement authority or discretion of the Federal bank regulators. When the bill speaks of prohibiting authorization of new securities activities by "inaction or otherwise," what we're talking about is the kind of situation where a statute or a regulation provides that an application to do something shall be deemed approved if the agency has not disapproved it within a certain number of days. In addition, the bill does not confer a private right of action against any agency, nor, of course, against any particular banking institution. If the conferees wished to create a private right of action, we would have done so with specific language.

Second, the correct reading of H.R. 27 is to say that the new activity restrictions on grandfathered nonbank banks relates to the activities they were offering to the public on March 5, 1987, and not the services that they might obtain or were obtaining from the Federal Reserve under section 11A of the Federal Reserve Act before, on or after March 5, 1987. For instance, if a grandfathered nonbank bank was serving in a fiduciary or custodial capacity, at a time prior to or on March 5, 1987, for accounts that involved activities which entailed possible Federal Reserve services available under section 11A of the Federal Reserve Act, they may access those Federal Reserve services even though they were not obtaining such services from the Federal Reserve specifically before, on or after that day without being considered engaged in a new activity. For further instance, a grandfathered nonbank bank, which was also affiliated with a securities firm that is a primary dealer may, subject to the collateralization provisions of H.R. 27, run an intraday overdraft after March 5, 1987, even though it did not run an intraday overdraft specifically on, before, or after March 5, 1987, without that being considered a new activity under H.R. 27.

Third, title I of H.R. 27 at 101(c) provides of exculpatory provisions for companies affiliated with nonbank banks that come into control of shares in capacities that are largely passive. While one might read the list of those capacities broadly, as they appear in the new subsection to the Bank Holding Company Act, (f)(2)(A)(ii), it is useful to point out that, for the limited purposes of new provision of the

Bank Holding Company, "shares acquired in a bona fide fiduciary capacity" include shares held in "street name."

In addition, I want to express some views concerning one portion of the legislation that requires some clarification. Section 406 provides new authority to the Federal Home Loan Bank Board to establish minimum capital requirements for savings and loans. That authority is patterned after and intended to be consistent with authority granted to the Federal banking agencies by the International Lending Supervision Act of 1983. I want to make it clear to the Bank Board that it is not expected to adopt a capital requirements system that is exactly like that adopted for commercial banks. Congress recognizes that there are differences between commercial banking and the thrift industry and expects the Bank Board to adopt capital requirements that are appropriate for the savings and loan industry. For example, as indicated by specific provisions in section 402, Congress intends that the Board continue to allow subordinated debt, goodwill and special loan loss deferral treatment to be used in meeting capital requirements. The Board's implementation of section 406 should encompass that approach.

Further, the development of the Board's use of the authority granted by section 406 should proceed with caution and deliberation. Just as the banking agencies are doing, the Board should initiate a rulemaking to explore the proper approach to developing capital requirements. In particular, any contemplation of the use of a case-by-case approach to establishing capital requirements must be the subject of extensive public consideration and debate in that rulemaking. The Board must be careful not to create a system that would allow institutions to be treated inequitably.

Finally, I wish to call attention to the statement of managers on page 121 of the conference report in that it neglects to follow with a complete explanation of the pertinent statutory language at section 101(h) which begins on page 13 of H.R. 27. That statutory language clearly provides that there will be a buyer of the nonbank bank that is subject to the transition rule and that it is the buyer of the nonbank bank who is going to convert the nonbank bank to a credit card bank.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL. Mr. Speaker, I would like to emphasize that the securities moratorium contained in section 201 does not affect, among other things, any securities activities in which a bank, bank-holding company or a subsidiary

or affiliate of a bank or bank-holding company acts in an agency capacity. Accordingly, such moratorium would not affect, for example, any retail securities brokerage activities, including those activities which involve the provision of investment advice to customers, of any bank, bank-holding company, or their subsidiaries and affiliates.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. NELSON], a member of the conference committee.

Mr. NELSON of Florida. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to take this opportunity as a member of the conference committee to congratulate the leadership of this conference committee, which was conducted in an exemplary manner by the gentleman from Rhode Island [Mr. St GERMAIN], who chaired the conference committee. I extend my compliments to the leadership of the other body. With their help, we sorted out some rather thorny issues and were able to come to an agreement.

This is a delicate balance. It is a delicate balance between the FSLIC recapitalization issues, the nonbank bank issues, and the moratorium on bank powers issues. This is indeed a piece of banking legislation that will be the major piece perhaps of this decade, and it has been a privilege for me to be a part of it.

Mr. KANJORSKI. Mr. Speaker, I believe there is much to support in the legislation before us today. I want to congratulate the chairman of the committee, the House conferees, and the staff for putting together such a difficult conference report on so many topics. The passage of this legislation will restore public confidence in our thrift industry, without any cost to the taxpayer, it will guarantee consumers access to funds they deposit in their checking and savings accounts within reasonable periods of time, and it will restore a semblance of order to our financial marketplace by closing the nonbank bank loophole. These are all major accomplishments.

I particularly appreciate the willingness of the conferees to include in section 414 language I recommended providing an extension of regulatory forbearance to thrift institutions who helped out the FSLIC in the early 1980's by taking over failing thrifts. These "white knight" institutions did us a great favor by reducing FSLIC's liquidation costs, and it is only appropriate that we give them additional time to adjust to the consequences of taking over troubled thrifts.

I'm also pleased to see that the conference agreement gives the GAO full audit authority over the Federal Asset Disposition Agency [FADA], and that section 415 includes language similar to a provision I added to the House version of the bill requiring reports by FADA to the Congress on its expenditures for receivers, conservators, accountants, attorneys and consultants. The potential for abuse, mistakes, and self-dealing in the disposition of billions of dollars of assets is substantial and

we must make sure that there is adequate accountability and oversight. Along these lines, I want to commend Chairman ST GERMAIN for announcing his intention to hold oversight hearings in this area. As a member of the committee, I look forward to participating in these hearings.

Mr. Speaker, in approving this conference agreement, I also want to express my concern about the potential for abuse by the Federal Home Loan Bank Board of one provision of the bill. If improperly interpreted by the Board, section 406 could constitute a serious threat to the continuation of the dual banking system in the thrift industry by effectively eliminating the right of the states to regulate the institutions they charter. While there are those who favor giving the Bank Board unlimited power to restrict the lawful activities of State-chartered thrifts, it should be noted that the Congress has consistently rejected such an approach. The capital setting authority contained in section 406 should not be used as a backdoor way to prohibit otherwise lawful activities.

In order to ensure that the capital setting authority contained in section 406 is properly utilized by the Board, it is important that any guidelines for additions to capital requirements be adequately justified in a public rulemaking process. The Bank Board should proceed with extreme caution through the rulemaking process to make sure that its proposed rules do not indirectly restrict the exercise of State-granted powers the Board cannot restrict directly. My colleagues and I in the Congress will be monitoring closely the development of the Bank Board's guidelines under this authority to make sure that state regulatory systems are protected.

Mr. FRENZEL. Mr. Speaker, the conference report on H.R. 27, also known as the savings and loan bailout bill, has become a consensus in this House.

The administration has negotiated up the new money to go into FSLIC to \$10.8 billion from lesser figures in both House's versions—\$10.8 billion is a big improvement, but it is still well short of the need.

The moratorium on new functions for banks may be politically attractive, but it's a cap out, and if not extended, will leave to the regulators decisions which should be made by Congress. I am also concerned that the 7 percent growth cap on grandfathered nonbank banks is unnecessarily restrictive.

The conference report falls short of what is needed, but the Congress is not going to have a better alternative this year. It will receive wide support, and I shall vote for it, too, as being better than the status quo.

Mr. BROOKS. Mr. Speaker, I rise to express my concern about the provision in this conference report that exempts all banking regulatory agencies from across-the-board sequestration cuts under the Gramm-Rudman law. There may be entirely defensible reasons why these agencies should be exempted from sequestration cuts. Doing so, however, means that the amount cut from the budgets of every other defense and nondefense agency is increased. Many of these other agencies may be equally as worthy as the bank regulatory agencies of being exempted from the effects of an across-the-board sequestration cut. But, for a variety of reasons, these other agencies

have not yet been singled out for special treatment under Gramm-Rudman.

The Gramm-Rudman law is a legislative atrocity that takes little, if any, notice of the importance of the mission of an agency or merits of a program when it lowers its deficit cutting ax. Consequently, instead of focusing on the deleterious impact that the provisions of this law have on just a few agencies, we should be examining the horrendous impact that the sequestration provisions of this law will have on the ability of all the agencies in the government to operate. Only then will we stop making the provisions of an awful law even worse.

Mr. LEACH of Iowa. Mr. Speaker, as a member of the conference committee, I would like to make several clarifying comments about the "2+2" exit fee imposed under section 21 of the Federal Home Loan Bank Act or under section 407(d) of the National Housing Act.

It is my understanding that this bill excepts three limited categories of institutions from these preexisting and continuing statutorily prescribed exit fees: First, those that already left the FSLIC system for the FDIC on or before March 31, 1987; second, those that actually filed with or gave notice to the FSLIC, the Bank Board, or a State or Federal banking agency regarding a transaction that would result in their leaving the FSLIC for the FDIC; and, third, those that entered into letters of intent or written memoranda of understanding regarding transactions that would result in their leaving the FSLIC for the FDIC.

It is also my understanding that this third category is intended to include those institutions that formally executed documents evidencing a decision to proceed with the transaction that results in their leaving the FSLIC, and conveyed those documents to parties involved in those transactions. It is not intended to include those institutions that had, by March 31, 1987, conveyed to the parties in their transactions or developed for their internal consideration less than formally executed decisions to proceed; for example, discussion memoranda, issues papers, or other manifestations of predecisional negotiation and analysis.

Mr. MANTON. Mr. Speaker, I rise to express my reservations concerning section 406 of this legislation. This section was not, previous to the conference, considered by either House of Congress. Section 406 provides a grant of new authority to the Federal Home Loan Bank Board to establish minimum capital requirements for thrift institutions on an institution-by-institution basis. Used improperly, this authority could allow the Board to dictate every business decision made by an institution it decided to single out. I want to make clear to the Board that Congress expects the Board to utilize this case-by-case authority sparingly. Moreover, I would expect the Board to promulgate a comprehensive rulemaking process in which the Board develops guidelines for the use of this authority. Those guidelines should protect institutions from any inequitable, arbitrary, or other abusive treatment by the Board or its agents. Mr. Speaker, as a member of the Committee on Banking, Housing and Urban Affairs, I expect to be consulted by the

Board before it begins the rulemaking process on this section. I also believe the committee must be attentive to our oversight duties as this authority is developed.

Mr. BRUCE. Mr. Speaker, today we will vote on the conference report on H.R. 27, the FSLIC Recapitalization Act of 1987. I support this legislation, and I would like to call to the attention of my colleagues a section of the report which is particular importance to those of us who represent agricultural districts.

In addition to providing much-needed recapitalization for FSLIC, the final conference report contains a measure of assistance for hard-pressed agricultural banks and their farmer-customers. The conference committee has included in its report language based on the Agricultural Loan Assistance Act which I along with 25 cosponsors introduced earlier this year.

This section will allow qualified agricultural banks to write down loans from their book value to their fair market value over a 7-year period. It also will allow farm banks to amortize their losses on the reduced value of farmland acquired in the process of handling an agricultural loan.

If we are to restore the health of the Nation's agricultural economy, I believe these provisions are essential. The high interest rates and low crop prices of the recent past have left many farmers with debts that they cannot pay off. Consequently, agricultural banks have been forced to swallow huge losses all at once, and many of them are facing failure. Because farmers desperately need the credit assistance these banks provide, if we are to solve the many problems facing American agriculture, we must ensure the sound fiscal health of agricultural banks.

While agricultural banks are among the best-capitalized lending institutions in the Nation, the rising tide of farm bank failures demonstrates that even their strong capital position has not made them immune to the difficulties so many in American agriculture have been experiencing. These lenders and their farmer-customers need time to work through their problems; they deserve the forbearance period provided by the loan loss amortization provisions of this legislation.

This legislation encourages lenders to negotiate with farmers on appropriate debt restructuring measures. This ability to amortize will reduce the pressure on these financial institutions to foreclose and ease the continued downward pressure on land prices. Allowing these agricultural banks to stretch out their losses will enable them to remain competitive suppliers of credit to farmers and will help keep our entire rural economy afloat.

This section of the conference report is endorsed by the Farm Bureau, the Wheat Growers, the Corn Growers, the Soybean Growers, the American Bankers Association, and the independent Bankers Association, organizations which recognize that agricultural banks and farmer-borrowers urgently need the help it will provide.

I would like to thank the members of the conference committee for including these provisions from the Agricultural Loan Assistance Act, and I urge my colleague to join me in passing this much-needed legislation.

Mr. AKAKA. Mr. Speaker, I thank the gentleman for yielding me this time and rise in support of the conference report on H.R. 27. As many of my colleagues have emphasized, this conference report is not perfect. However, the \$10.8 billion FSLIC recap represents a major step toward the maintenance of public trust in sound, responsible savings institutions, such as those in the State of Hawaii, and creates a positive environment strengthening consumer confidence in the safety and security of their deposits. Along with the FSLIC recap, the forbearance provisions provide a solid foundation for the restoration of industry soundness in financially distressed markets. The achievement of these worthy objectives, without imposing an unescapable, restrictive burden upon healthy savings and loans, or turning to the American taxpayer for relief, deserves our commendation and support.

The legislation also reflects the commitment of the House to the protection of consumer banking rights and the reassertion of congressional oversight over our Nation's banking activity. On both of these issues the conferees have arrived at fair compromises bridging diverse and competing interests.

I would like to express my gratitude and appreciation to the distinguished chairman of the Banking Committee, Mr. ST GERMAIN, and all the conferees for their diligence and efforts in bringing this equitable conference report to the floor.

I would also like to take the opportunity to extend my deepest aloha to the chairman of the Banking Committee, Mr. ST GERMAIN, the members of the committee, and the committee staff for their favorable consideration of circumstances unique to financial and industrial loan institutions in Hawaii in the drafting of titles II and VI.

Again, I thank the gentleman for yielding me this time and urge the bipartisan adoption of this legislation by my colleagues.

Mr. LOWRY of Washington. Mr. Speaker, I would like to take this opportunity to commend the chairman of the House Banking Committee, Mr. ST GERMAIN, for his excellent work on this very difficult piece of legislation and for his cooperation in addressing concerns of specific interest to institutions in my State of Washington. In particular, I would like to make explicitly clear the intent of an amendment to section 106 offered by my colleague, Mr. LEHMAN of California, which was adopted by the conference committee.

At the urging of Mr. LEHMAN, the conferees agreed to an amendment to exempt from the prohibitions contained in section 106 the purchase by Washington Mutual Savings Bank of one or more insured institutions. Section 106 as amended by Mr. LEHMAN and the conferees allows Washington Mutual to acquire FSLIC-insured savings institutions and hold them as subsidiaries and permit those savings institutions to be affiliated with Washington Mutual's securities subsidiary. This amendment also allows this securities subsidiary to establish offices, director and employee relationships with these new savings institution affiliates, just as are now maintained between Washington Mutual and this subsidiary.

I thank Mr. LEHMAN for his work on this matter and appreciate the support and cooperation provided by Mr. ST GERMAIN in urging

adoption of Mr. LEHMAN's amendment by the conferees.

Mr. LOWRY of Washington. Mr. Speaker, I would like to take this opportunity to commend the chairman of the House Banking Committee, Mr. ST GERMAIN, for his excellent work on this very difficult piece of legislation and for his cooperation in addressing concerns of specific interest to institutions in my State of Washington. In particular, I would like to make explicitly clear the intent of an amendment to section 106 offered by my colleague, Mr. LEHMAN of California, which was adopted by the conference committee.

At the urging of Mr. LEHMAN, the conferees agreed to an amendment to exempt from the prohibitions contained in section 106 the purchase by Washington Mutual Savings Bank of one or more insured institutions. Section 106 as amended by Mr. LEHMAN and the conferees allows Washington Mutual to acquire FSLIC-insured savings institutions and hold them as subsidiaries and permit those savings institutions to be affiliated with Washington Mutual's securities subsidiary. This amendment also allows this securities subsidiary to establish offices, director and employee relationships with these new savings institution affiliates, just as are now maintained between Washington Mutual and this subsidiary.

I thank Mr. LEHMAN for his work on this matter and appreciate the support and cooperation provided by Mr. ST GERMAIN in urging adoption of Mr. LEHMAN's amendment by the conferees.

Mr. SCHUMER. Mr. Speaker, I wish to clarify the intent of an amendment which I introduced to H.R. 27, the banking bill which we are now considering. This amendment is now Section 201(b)(2) of the bill.

The cause of my introducing the amendment was my concern that Federal banking agencies would expand the securities activities of banks and their subsidiaries during the moratorium period set by title II of the bill on a determination other than the "engaged principally" standard of the original Senate version of this section.

In particular, the public sale of securitized bank assets, including mortgage-backed securities, is an activity covered by the amendment. Any such transaction for a bank, its subsidiary, or a bank holding company not specifically authorized in writing prior to March 5, 1987, is not to be authorized or allowed, by action, inaction, or otherwise, during the moratorium.

My intent to cover asset-backed securities in the moratorium is made clear in the addition of the exemption for "sales or transactions closed on or before June 30, 1987." Had I intended to exclude these activities from inclusion in the moratorium, this sentence would not have been necessary. The "lawfully engaged" exception to section 201(b)(2) is meant to cover only matters which a regulator has informally approved and which banks and bank organizations have carried on regularly and without dispute for extended periods. The public sale of asset-backed securities is not included in the "lawfully engaged" exception.

The SPEAKER pro tempore (Mr. MURTHA). The Chair wishes to state that the gentleman from New York

[Mr. LaFALCE] has 3 minutes remaining.

Mr. LaFALCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in summing up the opposition, I do not think I could do any better than quote at this time from an editorial in the Detroit News.

It said this:

Congress has come up with a solution, but it will only prolong the problem and should be vetoed by President Reagan. Otherwise the taxpayer is going to be left holding the tab. Ronald Reagan's credibility as an anti-tax crusader is on the line."

The conference bill, while it does not realistically deal with the problem of weak thrifts, does contain special provisions which would make it more difficult for new financial institutions, if you look back on so-called nonbank banks, to operate. This is clearly special interest, anticonsumer, anti-taxpayer legislation. Making it difficult to operate a consumer bank should not be a top priority. Real reform of the funding system or the FSLIC system is urgent. This bill creates a barrier where it is not needed and fails to deal with a pressing problem. It is sure to result in a tax increase on the American public. The President should veto it just as surely as he would any other tax increase.

In reviewing the comments that have been made by other Members for and against, I think the most salient arguments were made by the gentleman from Massachusetts [Mr. FRANK]. He said there are philosophical differences, and while there are special interests on virtually every side of every piece of legislation, that is almost always true with respect to banking legislation. The public is really not that knowledgeable about banking legislation, and oftentimes, it seems as if the Congress is simply refereeing among competing special interests.

Here, though, I think the composite bill before us now appeals to virtually every anticompetitive instinct one could come up with, and hence, the special interests who are anticompetitive. In title I, for example, who prevailed there? The American Bankers Association, who did not want limited service banks, the Independent Bankers Association, who did not want the competition from limited service banks. That title is anticompetitive.

Also within title I, for example, are sections 103 and 106. Who prevailed there? The Securities Industry Association, the insurance industry, and the real estate industry, because they were able to impose a moratorium on State action, even though State action had not been prohibited in the past by Glass-Steagall.

The difficulty is that there are so many special interest provisions of that nature that the public winds up the loser.

With respect to the argument that we must pass the recapitalization of FSLIC today, that weakens, in my judgment, for if this bill, by some miracle, should be defeated, we could

come back today or tomorrow with a clean FSLIC recap, as we did in the 99th Congress, and as the chairman wanted to do at the beginning of this Congress.

Mr. WYLIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington [Mr. MILLER].

(Mr. MILLER of Washington asked and was given permission to revise and extend his remarks.)

Mr. MILLER of Washington. Mr. Speaker, I rise in support of this conference report.

Mr. Speaker, today we take up the conference report on H.R. 27, a bill which we passed to recapitalize the Federal Savings and Loan Insurance Corporation.

When we voted on this bill in May, the House considered a clean FSLIC recapitalization bill. We did not take up the nonbank-bank issue or other provisions now before us. I would have preferred the House to take up these issues and debate them in a timely and thoughtful manner. We should have debated and voted on several of these provisions.

I will vote in favor of this conference report, Mr. Speaker, because recapitalization of the FSLIC is a national priority. The conference report also puts a limit on the time a bank may place a hold on checks. I have supported similar legislation in the past.

What does concern me, Mr. Speaker, is the limited attention we are giving to a moratorium on the creation of nonbank banks after March 5, 1987. Those nonbank banks are limited to an annual growth of 7 percent. We also will permit nonbank banks and securities firms to buy failing savings and loans.

This bill also contains significant provisions not included in the House bill which temporarily prohibit banks from providing financial services—such as securities brokerage, insurance sales and real estate transactions which they were not providing before March 5, 1987 until March 1, 1988. Fortunately, this moratorium will end.

Bringing these new major provisions before us today is not the best way to legislate. The world of financial services has changed significantly since the last major banking legislation was considered in the 1930's. The House deserves time to debate these issues and decide what reforms may be needed. We gave the conferees a properly limited bill. For more than 5 years, we have needed a constructive debate about the future of the financial services industry. I can understand why they raised the recapitalization figure from about \$5 billion to \$10.8 billion. A case has been made about the need for adequate funding of FSLIC. That was within the parameters of the House bill. However, these other major shifts in law are matters which cause me serious problems.

Mr. Speaker, I hope that the House Banking Committee will take a careful look at these provisions as soon as hearings can be arranged.

The SPEAKER pro tempore. The Chair will state that the gentleman from Ohio [Mr. WYLIE] has 1 minute remaining.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 additional minute from my time to the gentleman from Ohio [Mr. WYLIE].

The SPEAKER pro tempore. The gentleman from Ohio [Mr. WYLIE] now has 2 minutes remaining.

Mr. WYLIE. Mr. Speaker, I thank the Chair, and I thank the gentleman from Rhode Island [Mr. ST GERMAIN] very much. I yield myself such time as I may consume.

Mr. Speaker, I cannot emphasize strongly enough the necessity of moving forward on this bill. I think that the critical need to recapitalize the FSLIC has, at times, has gotten lost in some of the other debate on the more controversial sections of the bill: the nonbank bank loophole, closer in Title 1, and the moratorium provisions in Title 2.

□ 1600

As I noted earlier, closing the nonbank loophole closing has been extensively considered by the House Committee on Banking, Finance and Urban Affairs.

The 168 nonbank banks in existence on March 5 that are grandfathered under this bill are providing financial services but are not regulated to the same extent as banks. It is obvious that we will have to revisit this issue, and the gentleman from Rhode Island [Mr. ST GERMAIN], the chairman of the Banking Committee, has said that we will.

The point of all of this is that not one of the Members would have written this bill in the form that it comes before Congress today, but Congress has worked its will, and the President has said he will sign it.

This bill represents the best in our constitutional process, Mr. Speaker. It is a workable compromise. It is workable legislation.

We have an achievable bill. Mr. Speaker, I urge my colleagues to vote "yea" on the conference report, because we need it.

Mr. ST GERMAIN. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I would like to in these brief closing moments state that on many occasions in the past few years, I have expressed a desire, a hope, a wish that we could work on financial institutions legislation on a one-by-one item basis.

We attempted that in the last Congress. We came to the floor with a bill, sent it to the other body, came to the floor with another bill, sent it to the other body.

We did that with three or four bills with no reaction from the other body.

In the early days of this Congress, we sent as we did in the last Congress the delayed funds availability, the check-cashing bill, to the other body, and it languished there.

Obviously, the desire to legislate one on one, one item by one item, so that when we come to the floor we are not buying a package, swallowing some things we are not too happy with, is still a dream that is to be realized.

We see it not only from this committee, but from most of the major committees. It has become the legislative "how to do it." I do not think it is the best way to legislate, but it seems as if it is the only way to legislate; and when things have to be done, you have to do it.

For that reason, we are before the House today with a comprehensive bill. In listening to the debate today, it becomes clear as to why the controversy.

So many Members came up with differing problems with differing sections of the bill. Maybe, just maybe, it is about the only way we can do it.

We are before the Members with a package that has been fine-tuned, agreed to by the administration, so in these waning moments, I would like to say to the staff who have worked weekends, nights, holidays since the end of the formal conference, thank you for your yeoman's service.

I would like to say thank you to Senator PROXMIER and Senator GARN, and to the gentleman from Ohio [Mr. WYLLIE], for a job well done, and also staff on both sides of the aisle, and also to Secretary Baker. I must say, he is some kind of compromiser. Without him, we would not be here today with a bill that the President has said he would sign.

For these reasons, I say to the Members, sure, it is not the perfect package; but like Bismarck once said, "It is a legislative sausage. Eat it and enjoy it. Don't let one or two little parts of it give you a stomach ache."

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MURTHA). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DREIER of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 382, nays 12, not voting 39, as follows:

[Roll No. 294]

YEAS—382

Ackerman	Applegate	Baker
Akaka	Archer	Ballenger
Andrews	Army	Barnard
Annunzio	Aspin	Bartlett
Anthony	AuCoin	Barton

Bateman	Ford (MI)	Mack
Bates	Frenzel	MacKay
Bennett	Frost	Madigan
Bentley	Galleghy	Manton
Berman	Gallo	Markey
Bevill	Garcia	Marlenee
Biaggi	Gaydos	Martin (IL)
Bilbray	Gejdenson	Martin (NY)
Bilirakis	Gekas	Matsui
Bliley	Gibbons	Mavroules
Boggs	Gilman	Mazzoli
Boland	Gingrich	McCandless
Bonker	Glickman	McCloskey
Borski	Gonzalez	McCollum
Bosco	Goodling	McCurdy
Boucher	Gordon	McGrath
Boulter	Grandy	McMillan (NC)
Boxer	Grant	McMillen (MD)
Brennan	Gray (PA)	Meyers
Brooks	Green	Mfume
Broomfield	Gregg	Mica
Brown (CA)	Guarini	Michel
Brown (CO)	Gunderson	Miller (CA)
Bruce	Hall (OH)	Miller (OH)
Bryant	Hall (TX)	Miller (WA)
Buechner	Hamilton	Mineta
Bunning	Hammerschmidt	Molinari
Burton	Hansen	Mollohan
Bustamante	Harris	Montgomery
Byron	Hastert	Moorhead
Callahan	Hatcher	Morella
Campbell	Hawkins	Morrison (CT)
Cardin	Hayes (IL)	Morrison (WA)
Carper	Hayes (LA)	Mrazek
Carr	Hefley	Murphy
Chandler	Hefner	Murtha
Chapman	Henry	Myers
Chappell	Herger	Nagle
Cheney	Hertel	Natcher
Clarke	Hiler	Neal
Clay	Hochbrueckner	Nelson
Clinger	Hopkins	Nichols
Coats	Horton	Nielson
Coble	Houghton	Nowak
Coelho	Howard	Oakar
Coleman (MO)	Hoyer	Oberstar
Coleman (TX)	Hubbard	Obeys
Collins	Huckaby	Olin
Combest	Hughes	Ortiz
Conte	Hutto	Oxley
Conyers	Hyde	Packard
Cooper	Inhofe	Panetta
Coughlin	Ireland	Parris
Courter	Jacobs	Pashayan
Coyne	Jeffords	Patterson
Craig	Jenkins	Pease
Darden	Johnson (CT)	Pelosi
Daub	Johnson (SD)	Penny
Davis (IL)	Jones (NC)	Pepper
Davis (MI)	Jones (TN)	Perkins
de la Garza	Jontz	Petri
DeFazio	Kanjorski	Pickett
DeLay	Kaptur	Pickle
Dellums	Kasich	Porter
Derrick	Kastenmeier	Price (IL)
DeWine	Kennedy	Price (NC)
Dickinson	Kennelly	Pursell
Dicks	Kildee	Quillen
DioGuardi	Kiecicka	Rahall
Donnelly	Kolbe	Rangel
Dorgan (ND)	Kolter	Ravenel
Dornan (CA)	Konnyu	Ray
Downey	Kostmayer	Regula
Duncan	Kyl	Rhodes
Durbin	Lagomarsino	Richardson
Dwyer	Lancaster	Rinaldo
Dyson	Latta	Ritter
Early	Leach (IA)	Roberts
Eckart	Leath (TX)	Robinson
Edwards (CA)	Lehman (CA)	Rodino
Edwards (OK)	Lehman (FL)	Roe
Emerson	Levin (MI)	Roemer
English	Levine (CA)	Rogers
Erdreich	Lewis (CA)	Rostenkowski
Evans	Lewis (FL)	Roth
Fascell	Lewis (GA)	Roukema
Fawell	Lightfoot	Rowland (CT)
Fazio	Lipinski	Roybal
Feighan	Lloyd	Russo
Fields	Lott	Sabo
Fish	Lowery (CA)	Saiki
Flake	Lowry (WA)	Savage
Flippo	Lujan	Sawyer
Florio	Lukens, Thomas	Saxton
Foglietta	Lukens, Donald	Schaefer
Foley	Lungren	Scheuer

Schneider	Snowe	Upton
Schroeder	Solarz	Valentine
Schuetz	Solomon	Vander Jagt
Schulze	Spence	Vento
Schumer	Spratt	Visclosky
Sensenbrenner	St Germain	Volkmer
Sharp	Staggers	Vucanovich
Shaw	Stallings	Walgren
Shumway	Stangeland	Walker
Shuster	Stark	Watkins
Sikorski	Stenholm	Waxman
Sisisky	Stokes	Weber
Skaggs	Stratton	Weiss
Skeen	Studds	Weldon
Skelton	Stump	Wheat
Slattery	Sundquist	Whittaker
Slaughter (NY)	Sweeney	Williams
Smith (FL)	Swift	Wilson
Smith (IA)	Swindall	Wise
Smith (NE)	Synar	Wolf
Smith (NJ)	Tauke	Wolpe
Smith (TX)	Taylor	Wortley
Smith, Denny	Thomas (CA)	Wyden
(OR)	Thomas (GA)	Wyllie
Smith, Robert	Torres	Yatron
(NH)	Traffant	Young (AK)
Smith, Robert	Traxler	
(OR)	Udall	

NAYS—12

Anderson	Dreier	LaFalce
Beilenson	Frank	Martinez
Bonior (MI)	Gradison	Moakley
Crane	Holloway	Yates

NOT VOTING—39

Alexander	Espy	Moody
Atkins	Ford (TN)	Owens (NY)
Badham	Gephardt	Owens (UT)
Bereuter	Gray (IL)	Ridge
Boehlert	Hunter	Rose
Boner (TN)	Kemp	Rowland (GA)
Crockett	Lantos	Slaughter (VA)
Daniel	Leland	Tallon
Dannemeyer	Lent	Tauzin
Dingell	Livingston	Torricelli
Dixon	McDade	Towns
Dowdy	McEwen	Whitten
Dymally	McHugh	Young (FL)

□ 1610

Messrs. FRANK, BONIOR of Michigan, and YATES changed their votes from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the conference report on H.R. 27, which has just been adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1315, NUCLEAR REGULATORY COMMISSION AUTHORIZATION FOR FISCAL YEARS 1988 AND 1989

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 100-263) on the reso-

lution (H. Res. 237) providing for the consideration of the bill (H.R. 1315) to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1988 and 1989, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 132, NATIONAL DAY OF REMEMBRANCE OF THE ARMENIAN GENOCIDE OF 1915-1923

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 100-264) on the resolution (H. Res. 238) providing for the consideration of a joint resolution (H.J. Res. 132) designating April 24, 1987, as "National Day of Remembrance of the Armenian Genocide of 1915-1923," which was referred to the House Calendar and ordered to be printed.

CEMETERY IMPROVEMENTS AMENDMENTS OF 1987

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2957, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 2957, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 393, nays 0, not voting 40, as follows:

[Roll No. 295]

YEAS—393

Ackerman	Boucher	Combest
Akaka	Boulter	Conte
Anderson	Boxer	Conyers
Andrews	Brennan	Cooper
Annuzio	Brooks	Coughlin
Anthony	Broomfield	Courter
Applegate	Brown (CA)	Coyne
Archer	Brown (CO)	Craig
Armey	Bruce	Crane
Aspin	Bryant	Darden
AuCoin	Buechner	Daub
Baker	Bunning	Davis (IL)
Ballenger	Burton	Davis (MI)
Barnard	Bustamante	de la Garza
Bartlett	Byron	DeFazio
Barton	Callahan	DeLay
Bateman	Campbell	Dellums
Bates	Cardin	Derrick
Beilenson	Carper	DeWine
Bennett	Carr	Dickinson
Bentley	Chandler	Dicks
Berman	Chapman	DioGuardi
Beverly	Chappell	Donnelly
Biaggi	Cheney	Dorgan (ND)
Bilbray	Clarke	Dorman (CA)
Bilirakis	Clay	Downey
Bliley	Clinger	Dreier
Boggs	Coats	Duncan
Boland	Coble	Durbin
Bonior (MI)	Coelho	Dwyer
Bonker	Coleman (MO)	Dyson
Borski	Coleman (TX)	Early
Bosco	Collins	Eckart

Edwards (CA)	Latta	Rinaldo
Edwards (OK)	Leach (IA)	Ritter
Emerson	Leath (TX)	Roberts
English	Lehman (CA)	Robinson
Erdreich	Lehman (FL)	Rodino
Evans	Levin (MI)	Roe
Fascell	Levine (CA)	Roemer
Fawell	Lewis (CA)	Rogers
Fazio	Lewis (FL)	Rostenkowski
Feighan	Lewis (GA)	Roth
Fields	Lightfoot	Roukema
Fish	Lipinski	Rowland (CT)
Flake	Lloyd	Roybal
Flippo	Lott	Russo
Florio	Lowery (CA)	Sabo
Foglietta	Lowry (WA)	Saiki
Foley	Lujan	Savage
Ford (MI)	Lukens, Thomas	Sawyer
Frank	Lukens, Donald	Saxton
Frost	Lungren	Schaefer
Gallely	Mack	Scheuer
Gallo	MacKay	Schneider
Garcia	Madigan	Schroeder
Gaydos	Manton	Schuetz
Gejdenson	Markay	Schulze
Gekas	Marlenee	Schumer
Gibbons	Martin (IL)	Sensenbrenner
Gilman	Martin (NY)	Sharp
Gingrich	Martinez	Shaw
Glickman	Matsui	Shumway
Gonzalez	Mavroules	Shuster
Goodling	Mazzoli	Sikorski
Gordon	McCandless	Sisisky
Gradison	McCloskey	Skaggs
Grandy	McCollum	Skeen
Grant	McCurdy	Skelton
Gray (PA)	McGrath	Slattery
Green	McHugh	Slaughter (NY)
Gregg	McMillan (NC)	Slaughter (VA)
Guarini	McMillen (MD)	Smith (FL)
Gunderson	Meyers	Smith (IA)
Hall (OH)	Mfume	Smith (NE)
Hall (TX)	Mica	Smith (NJ)
Hamilton	Michel	Smith (TX)
Hammerschmidt	Miller (CA)	Smith, Denny
Hansen	Miller (OH)	(OR)
Harris	Miller (WA)	Smith, Robert
Hastert	Mineta	(NH)
Hatcher	Moakley	Smith, Robert
Hawkins	Molinari	(OR)
Hayes (IL)	Mollohan	Snowe
Hayes (LA)	Montgomery	Solarz
Hefley	Moorhead	Solomon
Hefner	Morella	Spence
Henry	Morrison (CT)	Spratt
Herger	Morrison (WA)	St Germain
Hertel	Mrazek	Staggers
Hiler	Murphy	Stallings
Hochbrueckner	Murtha	Stangeland
Holloway	Myers	Stark
Hopkins	Nagle	Stenholm
Horton	Natcher	Stokes
Houghton	Neal	Stratton
Howard	Nelson	Studds
Hoyer	Nichols	Stump
Hubbard	Nielson	Sundquist
Huckaby	Nowak	Sweeney
Hughes	Oakar	Swift
Hutto	Oberstar	Swindall
Hyde	Obey	Synar
Inhofe	Olin	Tauke
Ireland	Ortiz	Taylor
Jacobs	Oxley	Thomas (CA)
Jeffords	Packard	Thomas (GA)
Jenkins	Panetta	Torres
Johnson (CT)	Parris	Trafficant
Johnson (SD)	Pashayan	Traxler
Jones (NC)	Patterson	Udall
Jones (TN)	Pease	Upton
Jontz	Pelosi	Valentine
Kanjorski	Penny	Vander Jagt
Kaptur	Perkins	Vento
Kasich	Pickett	Visclosky
Kastenmeier	Pickle	Volkmer
Kennedy	Porter	Vucanovich
Kennelly	Price (IL)	Walgren
Kildee	Price (NC)	Walker
Kiecicka	Pursell	Watkins
Kolbe	Quillen	Waxman
Kolter	Rahall	Weber
Konnyu	Rangel	Weiss
Kostmayer	Ravenel	Weldon
Kyl	Ray	Wheat
LaFalce	Regula	Whittaker
Lagomarsino	Rhodes	Williams
Lancaster	Richardson	Wilson

Wise
Wolf
Wolpe

Wortley
Wyden
Wyllie

Yates
Yatron
Young (AK)

NAYS—0 NOT VOTING—40

Alexander	Ford (TN)	Owens (UT)
Atkins	Frenzel	Pepper
Badham	Gephardt	Petri
Bereuter	Gray (IL)	Ridge
Boehlert	Hunter	Rose
Boner (TN)	Kemp	Rowland (GA)
Crockett	Lantos	Tallon
Daniel	Leland	Tauzin
Dannemeyer	Lent	Torricelli
Dingell	Livingston	Towns
Dixon	McDade	Whitten
Dowdy	McEwen	Young (FL)
Dymally	Moody	
Espy	Owens (NY)	

□ 1640

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

YSLETA DEL SUR PUEBLO AND ALABAMA AND COUSHATTA INDIAN TRIBES OF TEXAS RESTORATION ACT

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 318), to provide for the restoration of Federal recognition to the Ysleta del Sur Pueblo and the Alabama and Coushatta Indian Tribes of Texas, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ysleta del Sur Pueblo and Alabama and Coushatta Indian Tribes of Texas Restoration Act".

SEC. 2. REGULATIONS.

The Secretary of the Interior or his designated representative may promulgate such regulations as may be necessary to carry out the provisions of this Act.

TITLE I—YSLETA DEL SUR PUEBLO RESTORATION

SEC. 101. DEFINITIONS.

For purposes of this title—

(1) the term "tribe" means the Ysleta del Sur Pueblo (as so designated by section 102);

(2) the term "Secretary" means the Secretary of the Interior or his designated representative;

(3) the term "reservation" means lands within El Paso and Hudspeth Counties, Texas—

(A) held by the tribe on the date of the enactment of this title;

(B) held in trust by the State or by the Texas Indian Commission for the benefit of the tribe on such date;

(C) held in trust for the benefit of the tribe by the Secretary under section 105(g)(2); and

(D) subsequently acquired and held in trust by the Secretary for the benefit of the tribe.

(4) the term "State" means the State of Texas;

(5) the term "Tribal Council" means the governing body of the tribe as recognized by the Texas Indian Commission on the date of enactment of this Act, and such tribal council's successors; and

(6) the term "Tiwa Indians Act" means the Act entitled "An Act relating to the Tiwa Indians of Texas," and approved April 12, 1968 (82 Stat. 93).

SEC. 102. REDESIGNATION OF TRIBE.

The Indians designated as the Tiwa Indians of Ysleta, Texas, by the Tiwa Indians Act shall, on and after the date of the enactment of this title, be known and designated as the Ysleta del Sur Pueblo. Any reference in any law, map, regulation, document, record, or other paper of the United States to the Tiwa Indians of Ysleta, Texas, shall be deemed to be a reference to the Ysleta del Sur Pueblo.

SEC. 103. RESTORATION OF THE FEDERAL TRUST RELATIONSHIP; FEDERAL SERVICES AND ASSISTANCE.

(a) **FEDERAL TRUST RELATIONSHIP.**—The Federal trust relationship between the United States and the tribe is hereby restored. The Act of June 18, 1934 (48 Stat. 984), as amended, and all laws and rules of law of the United States of general application to Indians, to nations, tribes, or bands of Indians, or to Indian reservations which are not inconsistent with any specific provision contained in this title shall apply to the members of the tribe, the tribe, and the reservation.

(b) **RESTORATION OF RIGHTS AND PRIVILEGES.**—All rights and privileges of the tribe and members of the tribe under any Federal treaty, statute, Executive order, agreement, or under any other authority of the United States which may have been diminished or lost under the Tiwa Indians Act are hereby restored.

(c) **FEDERAL SERVICES AND BENEFITS.**—Notwithstanding any other provision of law, the tribe and the members of the tribe shall be eligible, on and after the date of the enactment of this title, for all benefits and services furnished to federally recognized Indian tribes.

(d) **EFFECT ON PROPERTY RIGHTS AND OTHER OBLIGATIONS.**—Except as otherwise specifically provided in this title, the enactment of this title shall not affect any property right or obligation or any contractual right or obligation in existence before the date of the enactment of this title or any obligation for taxes levied before such date.

SEC. 104. STATE AND TRIBAL AUTHORITY.

(a) **STATE AUTHORITY.**—Nothing in this Act shall affect the power of the State of Texas to enact special legislation benefitting the tribe, and the State is authorized to perform any services benefitting the tribe that are not inconsistent with the provisions of this Act.

(b) **TRIBAL AUTHORITY.**—The Tribal Council shall represent the tribe and its members in the implementation of this title and shall have full authority and capacity—

(1) to enter into contracts, grant agreements, and other arrangements with any Federal department or agency, and

(2) to administer or operate any program or activity under or in connection with any such contract, agreement, or arrangement, to enter into subcontracts or award grants to provide for the administration of any such program or activity, or to conduct any other activity under or in connection with any such contract, agreement, or arrangement.

SEC. 105. PROVISIONS RELATING TO TRIBAL RESERVATION.

(a) **FEDERAL RESERVATION ESTABLISHED.**—The reservation is hereby declared to be a Federal Indian reservation for the use and benefit of the tribe without regard to whether legal title to such lands is held in trust by the Secretary.

(b) **CONVEYANCE OF LAND BY STATE.**—The Secretary shall—

(1) accept any offer from the State to convey title to any land within the reservation held in trust on the date of enactment of this Act by the State or by the Texas Indian Commission for the benefit of the tribe to the Secretary, and

(2) hold such title, upon conveyance by the State, in trust for the benefit of the tribe.

(c) **CONVEYANCE OF LAND BY TRIBE.**—At the written request of the Tribal Council, the Secretary shall—

(1) accept conveyance by the tribe of title to any land within the reservation held by the tribe on the date of enactment of this Act to the Secretary, and

(2) hold such title, upon such conveyance by the tribe, in trust for the benefit of the tribe.

(d) **APPROVAL OF DEED BY ATTORNEY GENERAL.**—Notwithstanding any other provision of law or regulation, the Attorney General of the United States shall approve any deed or other instrument which conveys title to land within El Paso or Hudspeth Counties, Texas, to the United States to be held in trust by the Secretary for the benefit of the tribe.

(e) **PERMANENT IMPROVEMENTS AUTHORIZED.**—Notwithstanding any other provision of law or rule of law, the Secretary or the tribe may erect permanent improvements, improvements of substantial value, or any other improvement authorized by law on the reservation without regard to whether legal title to such lands has been conveyed to the Secretary by the State or the tribe.

(f) **CIVIL AND CRIMINAL JURISDICTION WITHIN RESERVATION.**—The State shall exercise civil and criminal jurisdiction within the boundaries of the reservation as if such State had assumed such jurisdiction with the consent of the tribe under sections 401 and 402 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes," and approved April 11, 1968 (25 U.S.C. 1321, 1322).

(g) **ACQUISITION OF LAND BY THE TRIBE AFTER ENACTMENT.**—

(1) Notwithstanding any other provision of law, the Tribal Council may, on behalf of the tribe—

(A) acquire land located within El Paso County, or Hudspeth County, Texas, after the date of enactment of this Act and take title to such land in fee simple, and

(B) lease, sell, or otherwise dispose of such land in the same manner in which a private person may do so under the laws of the State.

(2) At the written request of the Tribal Council, the Secretary may—

(A) accept conveyance to the Secretary by the Tribal Council (on behalf of the tribe) of title to any land located within El Paso County, or Hudspeth County, Texas, that is acquired by the Tribal Council in fee simple after the date of enactment of this Act, and

(B) hold such title, upon such conveyance by the Tribal Council, in trust for the benefit of the tribe.

SEC. 106. TIWA INDIANS ACT REPEALED.

The Tiwa Indians Act is hereby repealed.

SEC. 107. GAMING ACTIVITIES.

(a) **IN GENERAL.**—All gaming activities which are prohibited by the laws of the State

of Texas are hereby prohibited on the reservation and on lands of the tribe. Any violation of the prohibition provided in this subsection shall be subject to the same civil and criminal penalties that are provided by the laws of the State of Texas. The provisions of this subsection are enacted in accordance with the tribe's request in Tribal Resolution No. T.C.-02-86 which was approved and certified on March 12, 1986.

(b) **NO STATE REGULATORY JURISDICTION.**—Nothing in this section shall be construed as a grant of civil or criminal regulatory jurisdiction to the State of Texas.

(c) **JURISDICTION OVER ENFORCEMENT AGAINST MEMBERS.**—Notwithstanding section 105(f), the courts of the United States shall have exclusive jurisdiction over any offense in violation of subsection (a) that is committed by the tribe, or by any member of the tribe, on the reservation or on lands of the tribe. However, nothing in this section shall be construed as precluding the State of Texas from bringing an action in the courts of the United States to enjoin violations of the provisions of this section.

SEC. 108. TRIBAL MEMBERSHIP.

(a) **IN GENERAL.**—The membership of the tribe shall consist of—

(1) the individuals listed on the Tribal Membership Roll approved by the tribe's Resolution No. TC-5-84 approved December 18, 1984, and approved by the Texas Indian Commission's Resolution No. TIC-85-005 adopted on January 16, 1985; and

(2) a descendant of an individual listed on that Roll if the descendant—

(i) has $\frac{1}{4}$ degree or more of Tigua-Ysleta del Sur Pueblo Indian blood, and

(ii) is enrolled by the tribe.

(b) **REMOVAL FROM TRIBAL ROLL.**—Notwithstanding subsection (a)—

(1) the tribe may remove an individual from tribal membership if it determines that the individual's enrollment was improper; and

(2) the Secretary, in consultation with the tribe, may review the Tribal Membership Roll.

TITLE II—ALABAMA AND COUSHATTA INDIAN TRIBES OF TEXAS

SEC. 201. DEFINITIONS.

For purposes of this title—

(1) the term "tribe" means the Alabama and Coushatta Indian Tribes of Texas (considered as one tribe in accordance with section 202);

(2) the term "Secretary" means the Secretary of the Interior or his designated representative;

(3) the term "reservation" means the Alabama and Coushatta Indian Reservation in Polk County, Texas, comprised of—

(A) the lands and other natural resources conveyed to the State of Texas by the Secretary pursuant to the provisions of section 1 of the Act entitled "An Act to provide for the termination of Federal supervision over the property of the Alabama and Coushatta Tribes of Indians of Texas, and the individual members thereof; and for other purposes," and approved August 23, 1954 (25 U.S.C. 721);

(B) the lands and other natural resources purchased for and deeded to the Alabama Indians in accordance with an act of the legislature of the State of Texas approved February 3, 1854; and

(C) lands subsequently acquired and held in trust by the Secretary for the benefit of the tribe;

(4) the term "State" means the State of Texas;

(5) the term "constitution and bylaws" means the constitution and bylaws of the tribe which were adopted on June 16, 1971; and

(6) the term "Tribal Council" means the governing body of the tribe under the constitution and bylaws.

SEC. 202. ALABAMA AND COUSHATTA INDIAN TRIBES OF TEXAS CONSIDERED AS ONE TRIBE.

The Alabama and Coushatta Indian Tribes of Texas shall be considered as one tribal unit for purposes of this title and any other law or rule of law of the United States.

SEC. 203. RESTORATION OF THE FEDERAL TRUST RELATIONSHIP: FEDERAL SERVICES AND ASSISTANCE.

(a) **FEDERAL TRUST RELATIONSHIP.**—The Federal recognition of the tribe and of the trust relationship between the United States and the tribe is hereby restored. The Act of June 18, 1934 (48 Stat. 984), as amended, and all laws and rules of law of the United States of general application to Indians, to nations, tribes, or bands of Indians, or to Indian reservations which are not inconsistent with any specific provision contained in this title shall apply to the members of the tribe, the tribe, and the reservation.

(b) **RESTORATION OF RIGHTS AND PRIVILEGES.**—All rights and privileges of the tribe and members of the tribe under any Federal treaty, Executive order, agreement, statute, or under any other authority of the United States which may have been diminished or lost under the Act entitled "An Act to provide for the termination of Federal supervision over the property of the Alabama and Coushatta Tribes of Indians of Texas, and the individual members thereof; and for other purposes" and approved August 23, 1954, are hereby restored and such Act shall not apply to the tribe or to members of the tribe after the date of the enactment of this title.

(c) **FEDERAL BENEFITS AND SERVICES.**—Notwithstanding any other provision of law, the tribe and the members of the tribe shall be eligible, on and after the date of the enactment of this title, for all benefits and services furnished to federally recognized Indian tribes.

(d) **EFFECT ON PROPERTY RIGHTS AND OTHER OBLIGATIONS.**—Except as otherwise specifically provided in this title, the enactment of this title shall not affect any property right or obligation or any contractual right or obligation in existence before the date of the enactment of this title or any obligation for taxes levied before such date.

SEC. 204. STATE AND TRIBAL AUTHORITY.

(a) **STATE AUTHORITY.**—Nothing in this Act shall affect the power of the State of Texas to enact special legislation benefitting the tribe, and the State is authorized to perform any services benefitting the tribe that are not inconsistent with the provisions of this Act.

(b) **CURRENT CONSTITUTION AND BYLAWS TO REMAIN IN EFFECT.**—Subject to the provisions of section 203(a) of this Act, the constitution and by laws of the tribe on file with the Committee on Interior and Insular Affairs is hereby declared to be approved for the purposes of section 16 of the Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. 476) except that all reference to the Texas Indian Commission shall be considered as reference to the Secretary of the Interior.

(c) **AUTHORITY AND CAPACITY OF TRIBAL COUNCIL.**—No provision contained in this title shall affect the power of the Tribal Council to take any action under the constitution and bylaws described in subsection (b). The Tribal Council shall represent the

tribe and its members in the implementation of this title and shall have full authority and capacity—

(1) to enter into contracts, grant agreements, and other arrangements with any Federal department or agency;

(2) to administer or operate any program or activity under or in connection with any such contract, agreement, or arrangement, to enter into subcontracts or award grants to provide for the administration of any such program or activity, or to conduct any other activity under or in connection with any such contract, agreement, or arrangement; and

(3) to bind any tribal governing body selected under any new constitution adopted in accordance with section 205 as the successor in interest to the Tribal Council.

SEC. 205. ADOPTION OF NEW CONSTITUTION AND BYLAWS.

Upon written request of the tribal council, the Secretary shall hold an election for the members of the tribe for the purpose of adopting a new constitution and bylaws in accordance with section 16 of the Act of June 18, 1934 (25 U.S.C. 476).

SEC. 206. PROVISIONS RELATING TO TRIBAL RESERVATION.

(a) **FEDERAL RESERVATION ESTABLISHED.**—The reservation is hereby declared to be a Federal Indian reservation for the use and benefit of the tribe without regard to whether legal title to such lands is held in trust by the Secretary.

(b) **CONVEYANCE OF LAND BY STATE.**—The Secretary shall—

(1) accept any offer from the State to convey title to any lands held in trust by the State or the Texas Indian Commission for the benefit of the tribe to the Secretary, and

(2) shall hold such title, upon conveyance by the State, in trust for the benefit of the tribe.

(c) **CONVEYANCE OF LAND BY TRIBE.**—At the written request of the Tribal Council, the Secretary shall—

(1) accept conveyance by the tribe of title to any lands within the reservation which are held by the tribe to the Secretary, and

(2) hold such title, upon such conveyance by the tribe, in trust for the benefit of the tribe.

(d) **APPROVAL OF DEED BY ATTORNEY GENERAL.**—Notwithstanding any other provision of law or regulation, the Attorney General of the United States shall approve any deed or other instrument from the State or the tribe which conveys title to lands within the reservation to the United States.

(e) **PERMANENT IMPROVEMENTS AUTHORIZED.**—Notwithstanding any other provision of law or rule of law, the Secretary or the tribe may erect permanent improvements, improvements of substantial value, or any other improvement authorized by law on the reservation without regard to whether legal title to such lands has been conveyed to the Secretary by the State or the tribe.

(f) **CIVIL AND CRIMINAL JURISDICTION WITHIN RESERVATION.**—The State shall exercise civil and criminal jurisdiction within the boundaries of the reservation as if such State had assumed such jurisdiction with the consent of the tribe under sections 401 and 402 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" and approved April 11, 1968 (25 U.S.C. 1321, 1322).

SEC. 207. GAMING ACTIVITIES.

(a) **IN GENERAL.**—All gaming activities which are prohibited by the laws of the State of Texas are hereby prohibited on the reservation and on lands of the tribe. Any viola-

tion of the prohibition provided in this subsection shall be subject to the same civil and criminal penalties that are provided by the laws of the State of Texas. The provisions of this subsection are enacted in accordance with the tribe's request in Tribal Resolution No. T.C.-86-07 which was approved and certified on March 10, 1986.

(b) **NO STATE REGULATORY JURISDICTION.**—Nothing in this section shall be construed as a grant of civil or criminal regulatory jurisdiction to the State of Texas.

(c) **JURISDICTION OVER ENFORCEMENT AGAINST MEMBERS.**—Notwithstanding section 206(f), the courts of the United States shall have exclusive jurisdiction over any offense in violation of subsection (a) that is committed by the tribe, or by any member of the tribe, on the reservation or on lands of the tribe. However, nothing in this section shall be construed as precluding the State of Texas from bringing an action in the courts of the United States to enjoin violations of the provisions of this section.

Amend the title so as to read: "An Act to provide for the restoration of the Federal trust relationship and Federal services and assistance to the Ysleta del Sur Pueblo and the Alabama and Coushatta Indian Tribes of Texas, and for other purposes."

Mr. VENTO [during the reading]. Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. (Mr. MURTHA). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Minnesota?

Mr. RHODES. Mr. Speaker, reserving the right to object, will the gentleman explain the amendments?

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Mr. Speaker, under my reservation, I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Speaker, H.R. 318 is a bill to restore Federal recognition to two Indian tribes in the States of Texas, the Ysleta Del Sur Pueblo and the Alabama Coushatta Indian tribes.

H.R. 318 passed the House on April 21 by voice vote and was sent back from the Senate with an amendment in the nature of a substitute. The bill as amended is supported by the administration.

The Senate amendment makes changes to section 107 and 207 of the bill. These sections deal with the regulation of gaming on the respective reservations of the two tribes. It is my understanding that the Senate amendments to these sections are in line with the rational of the recent Supreme Court decision in the case of Cabazon Band of Mission Indians versus California. This amendment in effect would codify for these tribes the

holding and rational adopted in the Court's opinion in the case.

The Senate amendment also incorporates in the bill the current membership requirement of the Ysleta Del Sur Pueblo. The Pueblo imposes a minimum of one-eighth degree of Ysleta Del Sur Pueblo Indian blood as a condition for membership in the tribe.

I believe that the determination of requirements for membership in Indian tribes are the prerogative of the Indian tribes and I would oppose a policy which would congressionally impose blood quantum requirements for membership in Indian tribes. However, in this case, the amendment should not be viewed as a precedent for such policy since it merely incorporates an already existing tribal membership requirement and was included in the bill with the consent of the affected tribe.

I might add that this measure was introduced by the gentleman from Texas [Mr. COLEMAN] who has championed this issue and has done a good job. I hope there will be no objection. These are noncontroversial amendments.

Mr. RHODES. Mr. Speaker, I appreciate the gentleman's explanation.

Mr. UDALL. Mr. Speaker, H.R. 318 is a bill to restore Federal recognition to two Indian tribes in the State of Texas, the Ysleta Del Sur Pueblo and the Alabama Coushatta Indian Tribes.

H.R. 318 passed the House. It was sent back from the Senate with an amendment in the nature of a substitute. The bill as amended is supported by the administration.

The Senate amendment makes changes to sections 107 and 207 of the bill. These sections deal with the regulation of gaming on the respective reservations of the two tribes. It is my understanding that the Senate amendments to these sections are in line with the rational of the recent Supreme Court decision in the case of Cabazon Band of Mission Indians versus California. This amendment in effect would codify for these tribes the holding and rational adopted in the Court's opinion in the case.

The Senate amendment also incorporates in the bill the current membership requirement of the Ysleta Del Sur Pueblo. The Pueblo imposes a minimum of one-eighth degree of Ysleta Del Sur Pueblo Indian blood as a condition for membership in the tribe.

I believe that the determination of requirements for membership in Indian tribes are the prerogative of the Indian tribes and I would oppose a policy which would congressionally impose blood quantum requirements for membership in Indian tribes. However, in this case, the amendment should not be viewed as a precedent for such policy since it merely incorporates an already existing tribal membership requirement and was included in the bill with the consent of the affected tribe.

Mr. RHODES. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

A motion to reconsider was laid on the table.

MINIMUM ALTITUDE FOR AIRCRAFT FLYING OVER NATIONAL PARK SYSTEM UNITS

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 921) to require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flying over national park system units with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

SECTION 1. STUDY OF PARK OVERFLIGHTS.

(a) *STUDY BY PARK SERVICE.*—The Secretary of the Interior (hereinafter referred to as the "Secretary"), acting through the Director of the National Park Service, shall conduct a study to determine the proper minimum altitude which should be maintained by aircraft when flying over units of the National Park System. The Secretary of Transportation, acting through the Administrator of the Federal Aviation Administration (hereinafter referred to as the "Administrator"), shall provide technical assistance to the Secretary in carrying out the study.

(b) *GENERAL REQUIREMENTS OF STUDY.*—The study shall identify any problems associated with overflight by aircraft of units of the National Park System and shall provide information regarding the types of overflight which may be impacting on park unit resources. The study shall distinguish between the impacts caused by sightseeing aircraft, military aircraft, commercial aviation, general aviation, and other forms of aircraft which affect such units. The study shall identify those park system units, and portions thereof, in which the most serious adverse impacts from aircraft overflights exist.

(c) *SPECIFIC REQUIREMENTS.*—The study under this section shall include research at the following units of the National Park System: Cumberland Island National Seashore, Yosemite National Park, Hawaii Volcanoes National Park, Haleakala National Park, Glacier National Park, and Mount Rushmore National Memorial, and at no less than four additional units of the National Park System, excluding all National Park System units in the State of Alaska. The research at each such unit shall provide information and an evaluation regarding each of the following:

(1) the impacts of aircraft noise on the safety of the park system users, including hikers, rock-climbers, and boaters;

(2) the impairment of visitor enjoyment associated with flights over such units of the National Park System;

(3) other injurious effects of overflights on the natural, historical, and cultural resources for which such units were established; and

(4) the values associated with aircraft flights over such units of the National Park System in terms of visitor enjoyment, the

protection of persons or property, search and rescue operations and firefighting.

Such research shall evaluate the impact of overflights by both fixed-wing aircraft and helicopters. The research shall include an evaluation of the differences in noise levels within such units of the National Park System which are associated with flight by commonly used aircraft at different altitudes. The research shall apply only to overflights and shall not apply to landing fields within, or adjacent to, such units.

(d) *REPORT TO CONGRESS.*—The Secretary shall submit a report to the Congress within 3 years after the enactment of this Act containing the results of the study carried out under this section. Such report shall also contain recommendations for legislative and regulatory action which could be taken regarding the information gathered pursuant to paragraphs (1) through (4) of subsection (c). Before submission to the Congress, the Secretary shall provide a draft of the report and recommendations to the Administrator for review. The Administrator shall review such report and recommendations and notify the Secretary of any adverse effects which the implementation of such recommendations would have on the safety of aircraft operations. The Administrator shall consult with the Secretary to resolve issues relating to such adverse effects. The final report shall include a finding by the Administrator that implementation of the recommendations of the Secretary will not have adverse effects on the safety of aircraft operations, or if the Administrator is unable to make such finding, a statement by the Administrator of the reasons he believes the Secretary's recommendations will have an adverse effect on the safety of aircraft operations.

(e) *FAA REVIEW OF RULES.*—The Administrator shall review current rules and regulations pertaining to flights of aircraft over units of the National Park System at which research is conducted under subsection (c) and over any other such units at which such a review is determined necessary by the Administrator or is requested by the Secretary. In the review under this subsection, the Administrator shall determine whether changes are needed in such rules and regulations on the basis of aviation safety. Not later than 180 days after the identification of the units of the National Park System for which research is to be conducted under subsection (c), the Administrator shall submit a report to Congress containing the results of the review along with recommendations for legislative and regulatory action which are needed to implement any such changes.

(f) *AUTHORIZATION.*—There are authorized to be appropriated such sums as may be necessary to carry out the studies and review under this section.

SEC. 2. FLIGHTS OVER YOSEMITE AND HALEAKALA DURING STUDY AND REVIEW.

(a) *YOSEMITE NATIONAL PARK.*—During the study and review periods provided in subsection (c), it shall be unlawful for any fixed wing aircraft or helicopter flying under visual flight rules to fly at an altitude of less than 2,000 feet over the surface of Yosemite National Park. For purposes of this subsection, the term "surface" refers to the highest terrain within the park which is within 2,000 feet laterally of the route of flight and with respect to Yosemite Valley such term refers to the upper-most rim of the valley.

(b) *HALEAKALA NATIONAL PARK.*—During the study and review periods provided in subsection (c), it shall be unlawful for any fixed

wing aircraft or helicopter flying under visual flight rules to fly at an altitude below 9,500 feet above mean sea level over the surface of any of the following areas in Haleakala National Park: Haleakala Crater, Crater Cabins, the Scientific Research Reserve, Halemau Trail, Kaupo Gap Trail, or any designated tourist viewpoint.

(c) **STUDY AND REVIEW PERIODS.**—For purposes of subsections (a) and (b), the study period shall be the period of the time after the date of enactment of this Act and prior to the submission of the report under section 1. The review period shall comprise a 2-year period for Congressional review after the submission of the report to Congress.

(d) **EXCEPTIONS.**—The prohibitions contained in subsections (a) and (b) shall not apply to any of the following:

- (1) emergency situations involving the protection of persons or property, including aircraft;
- (2) search and rescue operations;
- (3) flights for purposes of firefighting or for required administrative purposes; and
- (4) compliance with instructions of an air traffic controller.

(e) **ENFORCEMENT.**—For purposes of enforcement, the prohibitions contained in subsection (a) and (b) shall be treated as requirements established pursuant to section 307 of the Federal Aviation Act of 1958. To provide information to pilots regarding the restrictions established under this Act, the Administrator shall provide public notice of such restrictions in appropriate Federal Aviation Administration publications as soon as practicable after the enactment of this Act.

SEC. 3. GRAND CANYON NATIONAL PARK.

(a) Noise associated with aircraft overflights at the Grand Canyon National Park is causing a significant adverse effect on the natural quiet and experience of the park and current aircraft operations at the Grand Canyon National Park have raised serious concerns regarding public safety, including concerns regarding the safety of park users.

(b) **RECOMMENDATIONS.**—

(1) **SUBMISSION.**—Within 30 days after the enactment of this Act, the Secretary shall submit to the Administrator recommendations regarding actions necessary for the protection of resources in the Grand Canyon from adverse impacts associated with aircraft overflights. The recommendations shall provide for substantial restoration of the natural quiet and experience of the park and protection of public health and safety from adverse effects associated with aircraft overflight. Except as provided in subsection (c), the recommendations shall contain provisions prohibiting the flight of aircraft below the rim of the Canyon, and shall designate flight free zones. Such zones shall be flight free except for purposes of administration and for emergency operations, including those required for the transportation of persons and supplies to and from Supai Village and the lands of the Havasupai Indian Tribe of Arizona. The Administrator, after consultation with the Secretary, shall define the rim of the Canyon in a manner consistent with the purposes of this paragraph.

(2) **IMPLEMENTATION.**—Not later than 90 days after receipt of the recommendations under paragraph (1) and after notice and opportunity for hearing, the Administrator shall prepare and issue a final plan for the management of air traffic in the air space above the Grand Canyon. The plan shall, by appropriate regulation, implement the rec-

ommendations of the Secretary without change unless the Administrator determines that implementing the recommendations would adversely affect aviation safety. If the Administrator determines that implementing the recommendations would adversely affect aviation safety, he shall, not later than 60 days after making such determination, in consultation with the Secretary and after notice and opportunity for hearing, review the recommendations consistent with the requirements of paragraph (1) to eliminate the adverse effects on aviation safety and issue regulations implementing the revised recommendations in the plan. In addition to the Administrator's authority to implement such regulations under the Federal Aviation Act of 1958, the Secretary may enforce the appropriate requirements of the plan under such rules and regulations applicable to the units of the National Park System as he deems appropriate.

(3) **REPORT.**—Within 2 years after the effective date of the plan required by subsection (b)(2), the Secretary shall submit to the Congress a report discussing—

(A) whether the plan has succeeded in substantially restoring the natural quiet in the park; and

(B) such other matters, including possible revisions in the plan, as may be of interest. The report shall include comments by the Administrator regarding the effect of the plan's implementation on aircraft safety.

(c) **HELICOPTER FLIGHTS OF RIVER RUNNERS.**—Subsection (b) shall not prohibit the flight of helicopters

(1) which fly a direct route between a point on the north rim outside of the Grand Canyon National Park and locations on the Hualapai Indian Reservation (as designated by the Tribe); and

(2) whose sole purpose is transporting individuals to or from boat trips on the Colorado River and any guide of such a trip.

SEC. 4. The Administrator shall conduct surveillance of aircraft flights over the Boundary Waters Canoe Area Wilderness as authorized by the Act of October 21, 1978 (92 Stat. 1649-1659) for a period of not less than 180 days beginning within 60 days of enactment of this Act. In addition to any actions the Administrator may take as a result of such surveillance, he shall provide a report to the Committee on Interior and Insular Affairs and the Committee on Public Works and Transportation of the United States House of Representatives and to the Committee on Energy and Natural Resources and the Committee on Commerce, Science, and Transportation of the United States Senate. Such report is to be submitted within 30 days of completion of the surveillance activities. Such report shall include but not necessarily be limited to information on the type and frequency of aircraft using the airspace over the Boundary Waters Canoe Area Wilderness.

SEC. 5. ASSESSMENT OF NATIONAL FOREST SYSTEM WILDERNESS OVERFLIGHTS.

(a) **ASSESSMENT BY FOREST SERVICE.**—The Chief of the Forest Service (hereinafter referred to as the "Chief") shall conduct an assessment to determine what, if any, adverse impacts to wilderness resources are associated with overflights of National Forest System wilderness areas. The Administrator of the Federal Aviation Administration shall provide technical assistance to the Chief in carrying out the assessment. Such assessment shall apply only to overflight of wilderness areas and shall not apply to aircraft flights or landings adjacent to National Forest System wilderness units. The assess-

ment shall not apply to any National Forest System wilderness units in the State of Alaska.

(b) **REPORT TO CONGRESS.**—The Chief shall submit a report to Congress within 2 years after enactment of this Act containing the results of the assessments carried out under this section.

(c) **AUTHORIZATION.**—Effective October 1, 1987, there are authorized to be appropriated under sums as may be necessary to carry out the assessment under this section.

SEC. 6. CONSULTATION WITH FEDERAL AGENCIES.

In conducting the study and the assessment required by this Act, the Secretary of the Interior and the Chief of the Forest Service shall consult with other Federal agencies that are engaged in an analysis of the impacts of aircraft overflights over federally-owned land.

Mr. VENTO. (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Minnesota?

Mr. RHODES. Mr. Speaker, reserving the right to object, will the gentleman explain the amendment?

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I am glad to yield to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. I thank the gentleman for yielding.

Mr. Speaker, the House passed H.R. 921 by voice vote on May 4, 1987, and I am very pleased that the Senate has acted so expeditiously to complete action on this important legislation.

Mr. Speaker, several Members of the House deserve great credit for their perseverance, and hard work over the last several years on this bill. TONY COELHO, who introduced H.R. 921 and a similar bill in the 99th Congress; the honored chairman of the Interior Committee, MO UDALL, whose special interest in the Grand Canyon has shaped that precedent-setting language in this measure to help protect that great national park; NORM MINETA whose help was essential to the passage of the bill and DANNY AKAKA who worked to gain protection for national parts in Hawaii, are to be commended for their efforts in crafting this legislation.

The Senate amendments are acceptable to me and I urge adoption of H.R. 921.

I thank the gentleman for yielding and for allowing me to explain the bill.

Mr. MINETA. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from California.

Mr. MINETA. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of passage of H.R. 921 with the Senate amendments. This is an important piece of legislation that accomplishes two broad objectives with respect to aircraft overflights of national parks. First, it authorizes comprehensive studies of the problems associated with aircraft overflights. Second, it requires regulation of overflights over three national parks, Grand Canyon, Yosemite, and Halenkala, where the problems are already understood.

With this legislation, the quite so essential to the enjoyment of our national parks will be restored. It is important to note that the bill very carefully delineates the responsibilities of the Government agencies involved, particularly the Federal Aviation Administration's role as regulator and manager of the Nation's airspace.

I want to commend our colleagues from the Committee on Interior and Insular Affairs for their fine work and diligence on this legislation, the gentleman from California [Mr. COELHO] for his authorship and leadership, and for the cooperation they have afforded me and the Committee on Public Works and Transportation in crafting a good, workable piece of legislation.

The Senate amendments to the House-passed bill are minor and mostly clarifying in nature and represent improvements. The House should accept them, and send this legislation to the President.

Again, Mr. Speaker, I urge the House to pass this important legislation.

Mr. RHODES. Mr. Speaker, I thank the gentleman for his statement.

Mr. COELHO. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Further reserving the right to object, I yield to the gentleman from California.

Mr. COELHO. I thank the gentleman for yielding.

Mr. Speaker, 2 years ago this fall we began the process that has led to the final consideration of this bill today. During an oversight hearing at Yosemite National Park in October 1985, it was brought to my attention that the serenity of Yosemite was being destroyed by noise from overflights of the park.

It was not the first time I had heard this complaint. Over 3 years ago I worked to get an agreement between the Park Service and the Federal Aviation Administration to advise pilots that they should remain at least 2,000 feet above the surface of our parks. However, my constituents pointed out to me at the Yosemite hearing that the FAA advisory was not working.

It became apparent that a complete FAA policy on regulating flights over the national parks would be impossible without a study of the problem. I in-

troduced H.R. 921 so we could look at the places where the overflights are taking place. I also was concerned about doing something to address the complaints being heard in Yosemite and other parks.

As a result, during the study period we will restrict flights over Yosemite by mandating that planes and helicopters stay at least 2,000 feet above the surface of the park. Restrictions are also placed on one of Hawaii's national parks and the Grand Canyon.

The House originally passed H.R. 921 in early May. The Senate made some minor changes to the bill and I am pleased to support these changes today.

I want to say a few words about the steps we have taken to restore the peace and quiet of the Grand Canyon. There is no argument that this magnificent park has the worst overflights problem. Since 1975 we have been studying their particular situation, but we have done nothing to address it. H.R. 921 at last provides a comprehensive scheme for regulating air traffic over the canyon.

It is sad that it took a tragic accident last year to show everyone how crowded the skies were over this park. Today we are taking a giant step forward to insure that the canyon will remain a national treasure and a safe place to visit.

I want to express my appreciation to Mr. UDALL, Mr. VENTO, and Mr. MINETA for their strong support for this legislation. It would not have been possible without their leadership and active role in drafting the language of the bill.

I also want to acknowledge the assistance and cooperation of the staff director of the National Parks Subcommittee, Dale Crane. He has put in many hours on this bill and helped insure its smooth passage through the committee and through both Houses of Congress.

Mr. Speaker, I urge my colleagues to offer their strong support for H.R. 921 so we can send a clear message that we are serious about protecting and preserving our national parks.

Mr. RHODES. I thank the gentleman for his comments.

Mr. Speaker, further reserving the right to object, I agree with the gentleman 100 percent. This bill in its revised version I think personally is better than when it left this House. I think it is an extremely important bill not only for the State of Arizona, but for all citizens of this country and other countries who visit this national treasure, our Grand Canyon.

I also want to express my appreciation to my colleagues from Arizona in the other body, Senator McCAIN and Senator DeCONCINI, for their excellent work on this bill. It is an excellent bill.

Mr. Speaker, I rise in strong support of the version of H.R. 921 before us

today. As you know, this bill would require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flights over national park system units. This bill was passed by the House on May 4 and was recently approved by the Senate.

During Senate consideration of H.R. 921, several amendments were adopted. They include requiring the Federal Aviation Administration [FAA] to define the rim of the Grand Canyon, requiring the Secretary of Agriculture to assess the impacts of aircraft flights over national forest wilderness areas, expanding the exemption of units from the overflights study to include all Alaska National Park Service units and clarifying that the FAA is the primary authority for the regulation of airspace over the Grand Canyon. I believe these amendments improve and strengthen H.R. 921.

Mr. Speaker, aircraft overflights of our Nation's national parks is a difficult issue which deserves serious attention and consideration. The study mandated by H.R. 921 will provide Congress with the information needed to determine appropriate future action on this issue. Therefore, I urge my colleagues to approve this legislation as amended.

Mr. UDALL. Mr. Speaker, I am very pleased to bring before the House today final legislation addressing aircraft overflights of our national parks. I and many members of both the Interior Committee and the Committee on Public Works have worked long and hard on it and we have had exceptional bipartisan support for this important effort.

Although this is primarily a bill to study the aircraft overflight problem at some parks, the bill includes specific direction for action to be taken at Grand Canyon National Park. There, the problem has become acute. Furthermore, the actions, or better put, the inactions of the Interior Department and the Federal Aviation Administration to do anything meaningful to protect the park and the public have forced the Congress to step in and require them to effect a plan.

The measure that has come back to us is not much different from the measure overwhelmingly approved by the House on two occasions. It does clarify language insuring that the FAA is the agency with final authority over the control of airspace. This had been the position of the House bill all along, but the amended bill charts the same course with different language.

The bill before us also preserves the very vital role of the Park Service in developing a plan that protects the interests of Grand Canyon National Park.

There is one matter in the bill before us that I would like to clarify, however. Section 3(b)(1) requires, among other things, that the plan for Grand Canyon ban flights below the rim and establish flight free zones. The section also exempts necessary administrative and emergency flights from the below-the-rim ban and the flight free zones. The language is written

in such a way that it might be construed to mean that these flights are exempted from the flight free zones only, and not the below-the-rim ban. I want to make it absolutely clear that it is now and always has been our intention to exempt necessary administrative and emergency flights from both proscriptions.

Mr. Speaker, I believe the other body has done a commendable job of preserving the thrust and meaning of the House bill while incorporating some improvements and I urge my colleagues to support it.

Mr. HOWARD. Mr. Speaker, I rise in support of H.R. 921, a bill to authorize a comprehensive study of the impact of aircraft overflights over our national parks. The bill further directs regulations at those national parks where the problem of overflights has been demonstrated.

The Senate amendments are acceptable to the Committee on Public Works and Transportation, and I believe we should move forward and send this legislation to the President for signature.

I commend our colleagues on the Committee on Interior and Insular Affairs with which the Committee on Public Works and Transportation shares jurisdiction on this matter. Their work and cooperation is very much appreciated and I thank them.

Again, I urge passage of H.R. 921.

Mr. RHODES. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. HAYES of Illinois). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 921, which we have just considered, and on H.R. 318, which was considered previously.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

APPEAL RIGHTS FOR CERTAIN EMPLOYEES OF THE POSTAL SERVICE

Mr. McCLOSKEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 348) to amend title 39, United States Code, to extend to certain officers and employees of the U.S. Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are afforded under title 5, United States Code, to Federal employees in the competitive service, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That (a) section 1005(a) of title 39, United States Code, is amended by adding at the end thereof the following:

"(4)(A) Subchapter II of chapter 75 of title 5 shall apply—

"(i) to any preference eligible in the Postal Service who is an employee within the meaning of section 7511(a)(1)(B) of such title; and

"(ii) to any other individual who—

"(I) is in the position of a supervisor or a management employee in the Postal Service, or is an employee of the Postal Service engaged in personnel work in other than a purely nonconfidential clerical capacity; and

"(II) has completed 1 year of current continuous service in the same or similar positions.

"(B)(i) The second sentence of paragraph (2) of this subsection applies with respect to the provisions of subparagraph (A) of this paragraph, to the extent that such provisions relate to preference eligibles.

"(ii) The provisions of subparagraph (A) of this paragraph shall not, to the extent that such provisions relate to an individual under clause (ii) of such subparagraph, be modified by any program developed under section 1004 of this title."

(b)(1) The amendment made by subsection (a) shall be effective after the expiration of the 30-day period beginning on the date of the enactment of this Act.

(2) An action which is commenced under section 1005(a)(1)(B) of title 39, United States Code, before the effective date of the amendment made by subsection (a) shall not abate by reason of the enactment of this Act. Determinations with respect to any such action shall be made as if this Act had not been enacted.

Mr. McCLOSKEY [during the reading]. Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Indiana?

Mr. TAYLOR. Mr. Speaker, reserving the right to object, I will not object but rather will address the merits of H.R. 348 and state for the record that this bill has the full support of the minority.

Appeal rights for postmasters and postal supervisors have been a long time in coming. Similar legislation passed the House in the 99th Congress, only to be held up in the other body in the waning days of the session. As such, I am pleased at the bill's steady progress in this Congress.

Some may ask why this bill is necessary, citing the system already in place to address adverse actions. The Post Office and Civil Service Committee has studied this issue at length and has come to the conclusion that an impartial body, such as the Merit Systems Protection Board, offers the best forum for the resolution of adverse action cases.

Mr. Speaker, this bill is a step forward in Postal Service employee policy. I urge my colleagues to support it.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR. Further reserving the right to object, I yield to the gentleman from Indiana.

Mr. McCLOSKEY. I thank the gentleman for yielding.

Mr. Speaker, I rise to urge approval of H.R. 348, a bill originally passed by the House in March and amended by the Senate which allows nonveteran managerial and supervisory employees of the U.S. Postal Service access to an impartial review of adverse personnel actions.

The measure before us today has an extensive legislative history as it has been twice considered and passed by the House. In the 99th Congress we passed H.R. 2854, a bill which is essentially the same as the one presently under consideration. A similar measure was also reported from the Senate Governmental Affairs Committee but failed to reach the Senate floor before adjournment.

At the beginning of this Congress, the Postal Employee Appeal Rights bill was again introduced by Congressman MERVYN DYMALLY. Although H.R. 348 is similar to the measure previously passed by the House, language was included to accommodate the Postal Service and the Senate. This provision would permit the Postal Service to seek, through the Office of Personnel Management, judicial review of certain Merit Systems Protection Board decisions which have a precedent-setting impact on postal personnel policy. H.R. 348 received bipartisan support from the members of the Post Office and Civil Service Committee and was passed by the House on March 3 under the suspension calendar.

Because of a pending court case, however, the Senate Governmental Affairs Committee found the above clarifying provision unnecessary and amended H.R. 348 by striking the above provision. The amended version of the bill was passed by the Senate on July 28 and returned to the House for further consideration.

Mr. Speaker, I concur with the action taken by the other body and urge the Members of House to support passage of H.R. 348, as amended.

Ms. OAKAR. Mr. Speaker, will the gentleman yield to me?

Mr. TAYLOR. I yield to the gentleman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Speaker, I certainly want to compliment my friend from Indiana [Mr. McCloskey] as well as Members of the minority for this bill. I do not know if Members realize what a significant bill that is in assuring rights for

Government workers but it really is, and I just wanted to compliment my friend from Indiana and those who have worked so hard on this bill.

Mr. TAYLOR. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Indiana?

There was no objection.

A motion to reconsider was laid on the table.

JOHN E. GROTBORG POST OFFICE BUILDING

Mr. McCLOSKEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1403) to designate the U.S. Post Office Building located in St. Charles, IL, as the "John E. Grothberg Post Office Building," with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, after line 9, insert:

CLARIFICATION RELATING TO CONSIDERATION OF
PRE-1987 SERVICE AS AN AIR TRAFFIC CONTROLLER FOR RETIREMENT PURPOSES

SEC. 2. (a) For purposes of subchapter III of chapter 83 of title 5, United States Code, and chapter 84 of such title—

(1) service as an air traffic controller shall, with respect to any annuity which is based on a separation from service, or death, occurring on or after January 1, 1987, include any service as an air traffic controller whether performed before, on, or after January 1, 1987; and

(2) the Office of Personnel Management shall accept the certification of the Secretary, or the designee of the Secretary, in determining the amount of any service performed by an individual as an air traffic controller.

(b) For purposes of this section—

(1) the term "air traffic controller" has the meaning given such term by section 2109(1) of title 5, United States Code, as amended by section 207(b) of the Federal Employees' Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 594); and

(2) the term "Secretary" has the meaning given such term by section 2109(2) of title 5, United States Code.

Mr. McCLOSKEY (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Indiana?

Mr. TAYLOR. Mr. Speaker, reserving the right to object, and I will not object, H.R. 1403 honors our friend and former colleague, from Illinois, John Grothberg, whose career and service to this country was cut short by his untimely death. It was an honor to serve in this body with him and it is in

his memory that we dedicate and rename this post office.

In addition, this bill contains technical amendments to the Federal Employees' Retirement System and Civil Service Retirement System which clarify congressional intent with regards to pre-1987 service for certain classes of air traffic controllers. Due to an administrative interpretation of the law, only post-January 1, 1987, service was creditable as air traffic controller service for these special classes of air traffic controllers. This provision clarifies congressional intent by specifying that service performed before, on or after January 1, 1987, is creditable as air traffic controller service.

This provision corrects an administrative interpretation which caused substantial hardship for many air traffic controllers who had retired since the beginning of the year. Believing they were entitled to retirement, many of these former employees sold their homes and relocated to other parts of the country. Through enactment of these provisions, these former employees may once again rest assured of their retirement benefits.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield to me?

Mr. TAYLOR. Further reserving the right to object, I yield to the gentleman from Indiana for an explanation.

Mr. McCLOSKEY. I thank the gentleman for yielding.

Mr. Speaker, the Senate amendment to H.R. 1403 would correct a very serious problem affecting more than 100 employees of the Federal Aviation Administration who are employed as flight service station specialists.

The purpose of the Senate amendment is to clarify congressional intent with respect to section 207 of the Federal Employees' Retirement System Act of 1986.

Section 207 amended the definition of "air traffic controller" contained in section 2109 of title 5, United States Code, to include service as a flight service station specialist. It was the intention of the House and Senate conferees that such amendment would apply to all service as a flight service station specialist, whether performed before, on, or after January 1, 1987, the effective date of the new Federal employees' retirement system.

The Office of Personnel Management, however, interpreted the amendment to apply only to service performed on or after January 1, 1987. Thus, flight service station service performed before January 1, 1987, would not qualify as air traffic controller service for purposes of the 20-year retirement eligibility provision or the minimum 50-percent annuity benefit.

Unfortunately, as a result of an administrative misunderstanding, over 100 FAA employees were allowed to retire based on the presumption that flight service station specialist service

performed before January 1, 1987, was fully creditable as "air traffic controller" service. About two-thirds of these employees currently are receiving retirement benefits which will soon be terminated in the absence of corrective legislation.

The remaining one-third of the separated employees have been denied retirement benefits, thus leaving them with no source of income.

The Senate amendment, in conformance with the original intent of Congress, will rectify this unfortunate situation.

□ 1655

Mr. HASTERT. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman from Illinois.

Mr. HASTERT. Mr. Speaker, I appreciate the gentleman from Missouri yielding to me to say a few short words about my predecessor, John Grothberg.

Shortly upon arriving as a new Member of Congress this past January, I introduced H.R. 1403 to serve as an enduring tribute to a man who served so honorably during his short career in Congress. During the last 7 months, as this legislation has progressed through both bodies of Congress, many, many of John's colleagues have spoken of the contributions he made to this body, and perhaps more importantly, to the citizens of Illinois who he so deeply cared about.

I am very pleased that final passage of this bill will take place in the same Chamber of Congress in which John served. I know that all Members of this body who served with John share the gratification of knowing that their former colleague will be remembered in this manner. The John E. Grothberg Post Office Building in his hometown of St. Charles will serve as a reminder of John's commitment to public service. But to those who knew John Grothberg, and there were many, it will mean much, much more.

I would like to extend my sincere appreciation to the distinguished chairman of the Post Office and Civil Service Committee, Mr. FORD, and the ranking minority member, Mr. TAYLOR, for their hard work and expedient handling of this bill honoring one of their former colleagues.

Mr. TAYLOR. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. HAYES of Illinois). Is there objection to the initial request of the gentleman from Indiana?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. McCLOSKEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment just considered and adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXPRESSING SENSE OF THE HOUSE ON FUTURE UNITED STATES ASSISTANCE TO PAKISTAN

Mr. LEVINE of California. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 239) expressing the sense of the House of Representatives on future United States assistance to Pakistan, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. LEACH of Iowa. Mr. Speaker, reserving the right to object, I would take this opportunity to ask for an explanation from the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from California.

(Mr. LEVINE of California asked and was given permission to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, this bipartisan sense-of-Congress resolution expresses Congress' concern about Pakistan's continuing pursuit of a nuclear weapons capability, and our support for the administration's efforts to get Pakistan to comply with its past assurances regarding the nature of its nuclear program. The resolution was prompted by two events—the recent indictment of a Pakistani national on charges of trying to illegally export nuclear technology to Pakistan, and the administration's ongoing discussions with Pakistan about the future of our relationship in the wake of this incident.

This process of reviewing and re-evaluating our relationship in a painful one for both Pakistan and the United States. In view of the close relations we have established with Pakistan over the past few years, it is truly unfortunate that events require such a review. But Pakistan has placed the United States in a very difficult position.

Six years ago, when we enacted the first portion of the multibillion-dollar aid package for Pakistan which runs out this September, we asked two things of them in return.

We asked for their help in supporting the Afghan resistance, which they have generously given. We also asked them not to develop a nuclear weapons program. They said they had no such intentions. All the same, already-existing evidence of a Pakistani effort to acquire a nuclear weapons capability forced us to give Pakistan a waiver from United States law, which bars United States assistance to any nation which attempts to acquire weapon-making capabilities.

Unfortunately, over the past 6 years, abundant evidence has accumulated that Pakistan has continued active efforts to acquire a weapons capability. In 1984, a Pakistani national was caught trying to smuggle parts for atomic weapons out of the United States. Later that year, General Zia gave President Reagan a pledge not to enrich uranium above peaceful use-levels, a pledge proven false within the year.

Then 2 weeks ago, another Pakistani native was indicted for trying to export specialized materials with nuclear weapons applications to Pakistan. Before his arrest, he acknowledged to an undercover Customs Service officer that the material was intended for use in Pakistan's nuclear program. All available evidence points to the conclusion that Pakistan has yet again broken its promises, and yet again engaged in criminal activity in the United States to further its nuclear ambitions.

Additionally disturbing is the fact that this has transpired even as Congress is considering a new multibillion-dollar aid package for Pakistan.

These arrogant violations of our laws and trust demand a firm response from the United States. If our longstanding policy of support for nuclear nonproliferation is to retain any credibility, we must not give in to the kinds of hollow promises which we have seen broken by Pakistan over and over in the past.

It is reassuring to see that the administration appears to share some of these concerns. Administration statements to the press earlier this month indicated that the administration has told Pakistan that "actions, not words, are needed to deal with the crisis of confidence caused by the arrest." I hope that this expression of congressional support for a firm stance toward Pakistan reinforces the administration's resolve to ask for some kind of concrete, verifiable efforts by Pakistan to comply with its past assurances about its nuclear program.

Even as we speak, Under Secretary of State Michael Armacost is in Islamabad expressing our concerns about these developments to the Government of Pakistan. We can give his efforts a boost by supporting this resolution, expressing Congress' support for the administration in these delicate

discussions. I urge my colleagues to give this bipartisan effort their strong support.

Mr. LEACH of Iowa. Mr. Speaker, further reserving the right to object, I rise in strong support of this resolution declaring the strong support of this body for the President in his efforts to obtain Pakistan's compliance with its nuclear-related commitments. In urging the President to put Pakistan on notice that its "verifiable compliance" with these commitments is vital to further United States military aid, the resolution calls on the President to pursue "vigorously" an agreement between India and Pakistan to jointly accede to the Nonproliferation Treaty and to take other steps to prevent any nuclear arms race on the subcontinent.

This resolution sends an important and timely signal to Pakistan as Under Secretary of State for Political Affairs Armacost's visit to Pakistan draws to a close. It strongly underscores the efforts of the administration in seeking to further strengthen United States nonproliferation objectives in our relations with Pakistan.

The Subcommittee on Asian and Pacific Affairs, held hearings on July 22, at which time Assistant Secretary of State for Near Eastern and South Asian Affairs Richard W. Murphy testified that Pakistan is on the threshold of possessing nuclear weapons. He also testified that the administration has undertaken an intense dialog with Pakistani authorities with the objective of obtaining "concrete evidence of Pakistani nuclear restraint."

The recent arrest and indictment of Arshad Pervez on grounds of attempting to illegally export nuclear related materials to Pakistan has created a new climate of urgency on this issue. All the evidence in the case is not yet in and the administration has stated that it is "not in a position at this time to make any conclusive judgments." Assistant Secretary Murphy indicated at our hearing, however, that Pakistani authorities have denied any connection to this case and have offered to cooperate with the United States and to take action against any individuals violating Pakistani policy or law.

These recent developments cast an unfortunate shadow on past assurances by the Pakistani Government that it will not undertake illegal procurement activities here in this country and statements by Pakistan that it has no desire to develop nuclear weapons. It would appear that those assurances and statements are no longer sufficiently convincing in and of themselves for many Americans.

For that reason, I wholeheartedly support the position of the administration, as outlined at our recent hearings, that Pakistani assurances at this point "must be backed up by tangible

evidence that their actions are in line with stated policy."

I also want to draw special attention to the third paragraph of the resolution which puts the nuclear issue in a broader and more balanced context. Agreement by both India as well as Pakistan to nuclear safeguards and inspection of nuclear installations could go far in assuring the stability and security of the subcontinent.

Before concluding, Mr. Speaker, I want to take the opportunity to commend the administration for the impressive Federal law enforcement operation which it undertook in the recent Pervez case in upholding U.S. law and nonproliferation policy objectives. Private sector American businessmen also deserve a special word of commendation for their exemplary action in this case. In putting the national interest above the profit motive, an American company in this instance didn't simply cooperate with Federal authorities but in fact precipitated the investigation that led to the above mentioned arrest and indictment.

Finally, let me emphasize that the resolution before us today seeks to strengthen rather than undercut the hand of the President in dealing with this difficult issue. I urge my colleagues to join in unanimous endorsement of its provisions.

Mr. Speaker, let me just conclude by expressing my support for the leadership of the gentleman from California [Mr. LEVINE], as well as the gentleman from Michigan [Mr. WOLPE] and, of course, the distinguished gentleman from New York [Mr. SOLARZ] and the committee chairman, the gentleman from Florida [Mr. FASCELL].

Mr. GEKAS. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. Further reserving the right to object, I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Speaker, is there a reason for us to believe that there is a cooperative posture being formed between India and Pakistan on which this resolution and what its intent is would be built? This is the first I have heard of any evidence of this, through the statements that have just been elicited as to the interest. Of course, we have an interest in it, but is there reason to believe that India and Pakistan can cooperatively work on these nonproliferation agreements?

Mr. LEACH of Iowa. Mr. Speaker with regard to the State of Pakistan, there is a commitment at least in public policy of the Pakistani government to accept the nonproliferation treaty once India has signed. With regard to India, there is not a tied position at this point in time, but certainly the government of Mr. Gandhi has taken the lead on certain arms control issues, and I think with the cooperation of the United States and Western Europe and perhaps other

parties, there is a semblance of hope that we can see a new direction, both with regard to issues like the nonproliferation treaty and also the comprehensive test ban, but this resolution by no means guarantees such achievements will be made. It simply represents an effort to suggest that we ought to lead, and we hope the people on the Indian Subcontinent will listen.

Mr. LEACH of Iowa. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GEKAS. Mr. Speaker, reserving the right to object, I will not object, of course, but I do feel that we must make statements of this genre to make certain that the entire world recognizes the delicate position of Pakistan and the Middle East where most of the things are occurring with respect to Afghanistan and India, and that it is the proper theme of the United States Government to voice its concerns, as this resolution will do.

Mr. LEACH of Iowa. Mr. Speaker, I thank the gentleman for his comments.

Mr. LEVINE of California. Mr. Speaker, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from California.

Mr. LEVINE of California. Mr. Speaker, I thank both the gentleman from Pennsylvania and the gentleman from Iowa for their comments and for their thoughtfulness in regard to pointing out the sensitivities and the complexities of this issue.

I would say to the gentleman from Pennsylvania that I think he is on the right track and he does pinpoint some important complexities with regard to an issue of this significance and some competing considerations that obviously are in place.

I would say to the gentleman from Iowa that I deeply appreciate his leadership on this issue and on so many other issues that affect our Nation's role in the world. The role that he had placed on the Foreign Affairs Committee has always been a very constructive role. He correctly points out that the language in subsection 3 of the resolve clause which talks about the linkage between India and Pakistan is language which was not included in the Resolution of the Foreign Affairs Committee which was passed last week. It was added by unanimous consent in the other body. It is important language, and it is language which helps to underscore the difficulty of the ultimate resolution of this issue.

We are dealing here with an issue which has many facets, and nobody should be under any illusions about the ease with which this issue can be solved. Six years ago, when the United States enacted the first portion of the multibillion-dollar aid package for Pakistan, which runs out this Septem-

ber, we asked—and I think it is important to underscore this—two things of Pakistan in return. First, we asked for Pakistan's help in supporting the Afghan resistance, which Pakistan has in fact generously given. Pakistan deserves our appreciation and our credit, credit to them for having provided the leadership and provided the support it has given with regard to the importance of providing support to the Afghan resistance.

We also asked Pakistan not to develop a nuclear weapons program. This is a vitally important component, not only of American foreign policy concerns but of the notion of keeping this world as safe as possible under the current condition of nuclear proliferation. At that time Pakistan said it has no such intentions. Nevertheless Pakistan has not responded or complied in an appropriate manner with regard to that assurance that it has given our country, and, unfortunately, evidence continues to develop which indicates that Pakistan has not been meeting with that concern and that promise.

We have Under Secretary of State Michael Armacost in Islamabad this very day negotiating with Pakistani officials, urging the Pakistanis to understand the significance that we as a nation place on this very, very serious issue. It is my hope that, with the other body and this body acting in concert, acting in unison, and hopefully both acting unanimously, the Pakistanis will understand that while on the one hand we are very grateful to them for their support in the Afghan area and we do have every interest and every desire of maintaining the closest possible relations with the government and the people of Pakistan with whom we have so many vital common interests, on the other hand we should not for a moment underestimate the significance of the question of nuclear proliferation and in particular the issues pertaining to nuclear proliferation in South Asia, and Pakistan in particular.

Mr. Speaker, I think that this resolution strikes that balance and communicates that message. Hopefully, it will underscore the importance of Mr. Armacost's visit, and hopefully it will strengthen the administration's hand as our administration tries to convey that message to our friends in Pakistan.

So I thank the gentleman from Iowa [Mr. LEACH], I thank the ranking member of the committee, the gentleman from Michigan [Mr. BROOMFIELD], who has lent his name to this resolution as a coauthor, and I appreciate very much the bipartisan manner in which this resolution has been brought to the floor.

Mr. BROOMFIELD. Mr. Speaker, I support this resolution concerning the commitments by Pakistan that it will not conduct a Nuclear Weapons Development Program.

Last Friday, just prior to the trip to Pakistan by Under Secretary of State Michael Armacost, the Committee on Foreign Affairs voted to report a very similar resolution.

The resolution before us will be helpful to the administration in its efforts to dissuade Pakistan from developing nuclear weapons. It would clearly state the support of the House for these efforts.

We in Congress are especially concerned with reported Pakistan activities in this area. This is because one of the chief reasons for the high level of United States defense assistance to Pakistan is to ensure that Pakistan possesses a strong conventional defense.

Pakistan is of great strategic and political value to the United States. It is on the front line of resistance to Soviet expansionism in Central Asia and has received massive numbers of refugees from the Soviet occupation of Afghanistan.

Pakistan is also an important link for the United States with the Islamic world.

In addition to supporting the administration's efforts, the resolution urges the President to inform Pakistan that its compliance with its commitments not to go nuclear is vital to further United States military assistance. It links these restraints on Pakistan with support for agreements by both Pakistan and India to enter verifiable agreements which would prevent nuclear weapons proliferation in this region.

Mr. Speaker, it is my pleasure today to add my support to this timely measure. I would also like to commend the efforts of my colleague Mr. LEACH, the ranking Republican member of the Subcommittee on Asian and Pacific Affairs, in promoting this resolution and seeing to it that it was carefully drafted.

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of House Resolution 239 which expresses the sense of Congress with regard to Pakistan. As you know, a similar resolution passed the Foreign Affairs Committee unanimously.

I am a strong supporter and friend of Pakistan, but I am very concerned about the recent filing of criminal charges in two cases involving alleged efforts to procure material for Pakistan's nuclear program in violation of United States law. I stress, though, at this time that we are not in any position to make any conclusive judgments. For the time being, we are dealing with allegations and a continuing investigation which still has no conclusion.

Beginning in 1985, the Pakistani Government has provided unequivocal assurances that it would not engage in illegal procurement activities in the United States. In the wake of the arrest of Mr. Pervaz, we need a full explanation from the Pakistani Government of what it may know about this matter. Standing firm against nuclear proliferation is of great importance to me, the administration and the American people. Ultimately, I would like to see a firm commitment, such as signing the Nuclear Non-Proliferation Treaty by both India and Pakistan. In the interim, I believe it is important to support the administration's efforts to achieve some restraints in the nuclear area despite India's previous detonation of a "peaceful" nuclear device. I know that Assistant Secretary Armacost was in Pakistan this past weekend and I am confident that he will

soon inform Congress on the results of his important diplomatic mission to Islamabad.

I support this resolution because it voices Congress's deep concern about the Pakistan and India nuclear programs, a concern already raised by President Reagan, without jumping to any conclusions. It signals to Pakistan that any refusal to comply with their past commitments seriously jeopardizes any further American military assistance.

While some of my colleagues have been preoccupied with some of the recent allegations against Pakistan, I must emphasize the very important strategic relationship we have with Pakistan. Commanding a geopolitically significant position in southwest Asia, Pakistan has been the bulwark against Soviet expansion in this region. I must remind my colleagues about the very critical role Pakistan plays with regard to Afghanistan. Without a strong and supportive Pakistan, the efforts of the Mujahideen to liberate their country from illegal Soviet occupation would be severely jeopardized.

Already Pakistan, a pro-Western friend, has been a target of Communist and radical Iranian subversion. We must be very careful not to encourage the efforts by Khomeini, the KGB and other agents by sending signals of weakening United States support for Pakistan. Realizing there are over 120,000 front-line Soviet combat troops just across the long Pakistani frontier with Afghanistan and remembering the false assurances of friendship and peace the Soviets gave to the Afghans prior to their brutal invasion, I believe it is in the best interest of our national security to deliver a measured response to the allegations of Pakistani nuclear enrichment. This resolution, Mr. Speaker, does this. It provides the administration with the flexibility it needs in dealing with this delicate situation, registers our deep concerns, and does not jeopardize our important relationship with this strategic ally. I urge my colleagues to join me in fully supporting House Resolution 239.

Mr. WOLPE. Mr. Speaker, as I stand here as a cosponsor of this resolution, I cannot help feeling a sense of *deja vu*. For years, we have received reports of Pakistan's nuclear weapons program, followed by official denials. Most recently—and most convincingly—there was an interview in January with Pakistan's chief nuclear scientist, A.Q. Kahn, which removed the doubts of virtually all observers about the status and intentions of Pakistan's nuclear program. General Zia later confirmed the impression given by the interview.

Three years ago, General Zia had given President Reagan his personal assurances that Pakistan would not enrich uranium above 5 percent, a sufficient level for peaceful uses. But within a year, conclusive evidence emerged that Pakistan was enriching to 93 percent—the level needed for a nuclear explosive device.

The path to Pakistan's bomb is paved not only with these deceptions, but also with the repeated violation of United States laws. Also in 1984, a Pakistani national was caught trying to smuggle parts for atomic weapons out of the United States. Pakistan's denials of involvement were not supported by the evidence.

Last month a Pakistani national was arrested in Philadelphia on charges of attempting to illegally export materials whose only conceivable use is in Pakistan's nuclear weapons program. The Government of Pakistan's reaction to the arrest was to deny any connection with the incident, characterizing it as a "rogue operation." But State Department testimony at a subsequent hearing, as well as the documents which formed the basis for the indictment in the case, indicate that the Pakistani Government's denial is as groundless as others it has made over the years.

For many Members of Congress, this latest example of deceit by the Pakistani Government is the last straw. Many of us find it particularly galling that Pakistan would attempt to violate American laws prohibiting the export of nuclear technology even as Congress is in the process of drawing up a generous aid package for that country.

This package is even more generous than the current one, under which the United States has sent Pakistan more than \$3 billion over the past 6 years. One of the justifications for that package was that Pakistan would be made to feel secure enough so that it would not feel the need to develop nuclear weapons. But each time a new piece of evidence is revealed, showing that Pakistan is in fact developing a nuclear weapons capability, the United States has looked the other way. Each time Pakistan has violated our laws—and those of other countries—we have been willing to overlook Pakistan's deception.

I fully appreciate the critical assistance that our friends in Pakistan have provided to the Mujaheddin in Afghanistan. I want to keep the supply route open to the Afghan freedom fighters, and I want to see the closest possible ties between the United States and Pakistan. However, supporting these goals does not require the United States to sacrifice another critical U.S. national interest—slowing the spread of nuclear weapons.

Our nonproliferation laws were enacted for just this type of situation. In their pursuit of a nuclear weapons capability, Pakistan has violated our laws and our trust. In the past, we have decided against taking a firm stand. If we don't stick to our guns this time, we will have given up our last shred of credibility, not just with Pakistan, but with our nonproliferation policy around the world.

Mr. Speaker, this resolution does not go beyond existing law. It simply calls for Pakistan to live up to its previous commitments, and it expresses the sense of outrage we feel at these latest violations of United States law.

I commend the gentleman from California for the dedication and insight he has brought to this issue. I have enjoyed collaborating with him on this resolution, as I have enjoyed working with him on other nonproliferation issues.

I urge my colleagues to approve this resolution clarifying and reaffirming the U.S. commitment to preventing the spread of nuclear weapons.

Mr. GEKAS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER *pro tempore*. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the resolution, as follows:

H. Res. 239

Whereas production of weapon-grade nuclear materials in Pakistan and India constitutes a threat to regional and international security;

Whereas the United States desires to maintain a long-term security partnership with Pakistan;

Whereas the greatest threat to this partnership arises from activities in Pakistan's nuclear program that are viewed as being inconsistent with a purely peaceful program;

Whereas Pakistani choice to eliminate this threat would serve our mutual interests in promoting stability in South Asia and assisting the Afghan people;

Whereas The Government of Pakistan has repeatedly stated that it is not producing weapon-grade nuclear materials and that it would respect United States nuclear export control laws;

Whereas information exists that Pakistan is producing weapon-grade nuclear material;

Whereas in the absence of any other action by the Congress or the President, United States laws require a cessation of assistance in the event of violations of the nuclear export control laws of the United States; and

Whereas further assistance to Pakistan or India in the face of continued violations would undermine United States efforts to contain the spread of nuclear weapons, including United States commitments to the 132 non-nuclear-weapon-states which are parties to the Treaty on the Non-Proliferation of Nuclear Weapons: Now, therefore, be it

Resolved, That the House of Representatives—

(1) strongly supports the President in his forthcoming efforts to gain Pakistan's compliance with its past commitments, including commitments of record, not to produce weapon-grade nuclear materials;

(2) strongly urges the President to inform Pakistan that Pakistan's verifiable compliance with these past commitments is vital to any further United States military assistance; and

(3) urges the President to pursue vigorously an agreement by India and Pakistan to provide for simultaneous accession by India and Pakistan to the Treaty on the Non-Proliferation of Nuclear Weapons, simultaneous acceptance by both countries of complete International Atomic Energy Agency safeguards for all nuclear installations, mutual inspection of one another's nuclear installations, renunciation of nuclear weapons through a joint declaration of the two countries, and the establishment of a nuclear-weapon-free zone in the Asian subcontinent.

GENERAL LEAVE

Mr. LEVINE of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1710

REPORT FROM CONSTITUTIONAL CONVENTION IN PHILADELPHIA, 1787

The SPEAKER pro tempore (Mr. HAYES of Illinois). Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, I am reporting to the House today from the floor of the Constitutional Convention in Philadelphia. It is now August 3, 1787, and the delegates are in recess.

They recessed about 8 days ago, and one would think that there is nothing going on here in Independence Hall; but I tell the Members, as I am reporting to the House, that there is a swarm of activity going on, even though the delegates technically are in recess.

George Washington, for example, along with Gouverneur Morris of Pennsylvania, have taken a side trip to Valley Forge, an opportunity for the general to revisit the site of where he and his gallant men braved that winter which led later to the successful overthrow of the British Government and the declaration and sustenance of the Revolution.

What has happened, though, in this Convention is that there were so many debates about so many different provisions and proposals, so many different resolutions, that the delegation, the Convention at Large, decided that they would relegate to the Committee on Detail the special duty of trying to put all of these things together and come back with a report to the full Convention which would lead to the final adoption, it is hoped, of some central documents.

Here I am in Independence Hall, but without the Convention in session, and I note right next to the main chamber in the library, there is a flurry of activity.

As I walk over there, I see the pages running back and forth; and finally in the library, I see the chairman, John Rutledge, the chairman of the Committee on Detail, at work looking over these massive numbers of resolutions and resolves.

For instance, he is looking over the Articles of Confederation. After all, these are the basic documents in which the Government of the United States is now being run, but which they have found to be unworthy of perpetuation.

The Virginia Resolve, the Pinckney Resolutions, even John Rutledge tells us he is looking over some of the documents of the basic government of the Iroquois Indians.

In other words, they are trying to get a world sense of what kind of government would be best suited for the new United States.

Edmund Randolph tells me something very interesting. He feels that the Constitution in the final analysis, if it be the Constitution that will be finally drawn from all of this, should be made up of provisions that are so simple, so to speak, that they would be able to be built upon in the future without damage to the individual liberties of the American citizens.

These are the kinds of things that the Committee on Detail is working on.

As I look over their shoulders, I can tell the Members that it looks like the final product is going to be made up of a preamble to say what the purposes are of the Constitution and then some 20 articles within which will be set forth the duties and responsibilities of the several branches of Government.

We believe, those of us who are observing this, that there is a new spirit among the delegates that might prevail and some success might come of it.

Right now I notice that the pages are getting the final drafts together, the ones that have been finalized by the Committee on Detail, and their duty is to take it to the printer in Philadelphia, Clay, Poole, and Dunlap, which is the firm who is going to make several copies of the proposals up to date and when the convention returns a few days from now, to circulate copies for all the Members for their deliberation.

I feel, as General Washington now feels, that there is a new optimism that something will be done during the balance of this month and in mid-September.

Here we are, and I am reporting to the Members 200 years ago today from the floor of the Convention in Philadelphia during a very hot summer.

THE ARMENIAN GENOCIDE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. FORD] is recognized for 5 minutes.

Mr. FORD of Michigan. Mr. Speaker, the House is scheduled to consider tomorrow House Joint Resolution 132, which designates April 24, 1987, as a "National Day of Remembrance of the Armenian Genocide of 1915-1923."

The debate on this resolution centers in large part on the question of whether or not the deaths of 1.5 million Armenians during the period of 1915 to 1923 were the result of a government policy of race extermination; that is, genocide.

Throughout the years—as far back as the administration of President Benjamin Harrison—U.S. Presidents have recognized that Armenians have been subjected to persecution. So that my colleagues will have the benefit of the facts when asked to vote on this resolution, I will quote from statements of 10 Presidents.

On April 22, 1981, President Ronald Reagan, proclaiming Days of Remembrance of Victims of the Holocaust, said: "Like the genocide of the Armenians before it, and the genocide of the Cambodians which followed it—and like too many other such persecutions of too many other peoples—the lessons of the Holocaust must never be forgotten."

At a White House ceremony on May 16, 1978, President Jimmy Carter said: " * * * it is generally not known in the world that in the years preceding 1916, there was a concerted effort made to eliminate all the Armenian people, probably one of the greatest tragedies that ever befell any group. And there weren't any Nuremberg trials."

President Herbert Hoover, in his memoirs published in 1952, stated: "The association of Mount Ararat and Noah, the staunch Christians who were massacred periodically by the Mohammedan Turks, and the Sunday School collections over fifty years for alleviating their miseries—all cumulate to impress the name Armenia on the front of the American mind."

In a letter dated November 22, 1921, to his Secretary of State, President Warren G. Harding said: "If it is believed that a warship can be sent to an Armenian port on the Mediterranean I should have very little hesitancy in making such a suggestion on behalf of these stricken people. Surely there must be some way in which to utter the admonition of the five great powers to restrain the hands of assassins in that unfortunate land."

On September 18, 1919, in a letter to the Acting Secretary of State, President Woodrow Wilson urged: " * * * get into communication with * * * the appropriate committees of Congress with regard to our being authorized to send troops to Armenia. I am heartily in favor of such a course if the Congress will authorize it * * *."

The Taft papers on the League of Nations quoted President William Howard Taft as saying: "On the whole, it is not too much to say that the people of the Jewish race have suffered more in this war as noncombatants, than any other people, unless it be the Serbians and the Armenians."

In two instances, President Theodore Roosevelt referred to the Armenian persecution. In a letter on May 11, 1918, he said: " * * * the Armenian massacre was the greatest crime of the war, and failure to act against Turkey is to condone it * * * the failure to deal radically with the Turkish horror means that all talk of guaranteeing the future peace of the world is mischievous nonsense * * *."

On December 6, 1904, in his annual message, he said: " * * * it is inevitable that (the United States) should desire eagerly to give expression to its horror on an occasion like * * * such systematic and long-extended cruelty and oppression as the cruelty and oppression of which the Armenians have been the victims, and which have won for them the indignant pity of the civilized world."

President William McKinley in his annual message stated: " * * * press for a just settlement of our claims * * * during the Armenian troubles of 1895 * * *"

President Grover Cleveland in his annual message of December 7, 1896, said: " * * * it would afford me satisfaction if I could assure the Congress that the disturbed condition in

Asiatic Turkey had during the past year assumed a less hideous and bloody aspect and that * * * as a consequence of the awakening of the Turkish Government to the demands of humane civilization * * * the shocking features of the situation had been mitigated. Instead, however * * * we have been inflicted by continued and not unfrequent reports of the wanton destruction of homes and the bloody butchery of men, women, and children, made martyrs to their profession of Christian faith."

And again in his annual message on December 2, 1895, President Cleveland said: "Occurrences in Turkey have continued to excite concern. The reported massacres of Christians in Armenia and the development there and in other districts of a spirit of fanatic hostility to Christian influences naturally excited apprehension * * *"

On December 14, 1894, President Benjamin Harrison said in a letter: "My indignation and sympathy have been greatly roused by the press reports of the fearful outrages practised on the Armenians."

PRICE-ANDERSON AMENDMENTS: HELP MAKE NUCLEAR PLANTS SAFE AND ACCOUNTABLE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Michigan [Mr. CONYERS] is recognized for 5 minutes.

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, last week when the Price-Anderson amendments were on the floor, which were intended to help make nuclear plants safe and accountable, I unfortunately voted against the amendment of the gentleman from Minnesota [Mr. SIKORSKI], which I felt very strongly in support of.

I have called him to make known the inadvertent mistake that occurred, and I also include in this RECORD a "Dear Colleague" letter that I sent not only supporting the gentleman's amendment but all of the amendments which would have made important strengthening amendments to Price-Anderson.

The July 27, 1987, "Dear Colleague" letter follows:

PRICE-ANDERSON AMENDMENTS: HELP MAKE NUCLEAR PLANTS SAFE AND ACCOUNTABLE

DEAR COLLEAGUE: This week, we will have an opportunity to vote on an issue of great significance to all our constituents—renewal of the Price-Anderson Act, the law that limits liability and victim compensation for nuclear accidents.

Thirty years ago, Congress created this unprecedented corporate welfare program which in effect says that after a nuclear accident, industry doesn't have to foot the bill, and accident victims may never be fully compensated for damages to their homes, businesses and health. Today we are being asked to reauthorize this law which allows some of the country's largest corporations to escape financial responsibility for their mistakes—even if they intentionally violate federal health and safety laws.

These liability loopholes not only eliminate key safety incentives, they force innocent victims to bear the burden of private industry's carelessness. Moreover, both current law and the measure before the House allow industry attorneys to be paid from the limited compensation fund—*ahead of victims*.

The Price-Anderson Act directly affects the millions of Americans who live near commercial nuclear plants; federal nuclear waste, weapons and research facilities; and along nuclear transportation routes. It is imperative that we amend this outdated, inequitable policy to assure full compensation of accident victims and to increase safety incentives at all of our nuclear installations.

Unfortunately, the bill expected to be on the House floor (H.R. 1414) falls far short of meeting these important goals. I urge you to join me in supporting amendments that would eliminate the liability exemptions for nuclear contractors and assure full compensation for accident victims. In particular, I urge you to support the following amendments:

DOE contractor accountability (Wyden-Sharp)—holds DOE nuclear contractors liable for accidents caused by gross negligence or willful misconduct.

Full Compensation (Eckart)—establishes a mechanism that provides full victim compensation.

Attorney's Fees (Sikorski)—prohibits industry attorneys from being paid before victims.

Corporate Accountability (Markey)—holds the companies who design, build and supply parts for nuclear plants to liable for gross negligence.

Nuclear Waste Coverage (Swift)—Removes legal impediments to compensation for victims of nuclear waste accidents caused by federal employees.

I believe adoption of these amendments would go a long way toward creating a fair and responsible federal nuclear accident policy. I strongly encourage you to cast your vote in favor of these important public health and safety measures.

Sincerely,

JOHN CONYERS, JR.,
Member of Congress.

U.S. TRADE POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentlemanwoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, Walt Kelly had his main cartoon character, Pogo, comment upon conditions in the world. "That we have met the enemy and he is us!"

The editorial in Barron's Weekly this week convinces me that Kelly was a great commentator about the world in which we live today.

Barron's reports with awe on the amount of strategic material for our weaponry we are buying from the Russians. This is for our Defense Establishment.

United States imports of chrome ore from the Soviets surged to a whopping 6,440 gross tons per month over the previous average of 479 gross tons between 1981 and 1985.

The gigantic increase of 15 times more monthly is for the first 6 months this past March.

The more recent figures are expected to show another gigantic leap.

Imports of antimony, essential to bullet, computer, sonar, and radar manufacture, have risen 98 times, 98 times, since 1981.

We are also buying ferro-silicon manganese in increasing amounts. The purchase of industrial diamonds from Russia has increased 100-fold; platinum bars and plates, up 5 times.

It is a list of growing dependency upon our enemy to supply material for our war machine to protect us from them—ironic.

All of this, of course, is because we have imposed sanctions upon South Africa, and today we perceive South Africa to be greater enemy than Russia. I think that we had better decide who the real enemy is, and do it quickly.

There are some other aspects of what is happening in the defense posture, Mr. Speaker, that bother me a great deal.

In the trade bill that will be coming back to the House from the other body after a conference, we were briefed last Thursday that practically all export controls on technology will be out of the window, that instead of one Toshiba and one Tokyo Aircraft which we have reported as selling technology to the Soviet Union, and we are all very upset about it, there could very well be 1,000 Toshibas. At this time I urge Members in more senior positions in this body who are concerned about our defense capability to study this amendment, this part of the trade bill very, very carefully, and see what can be done to protect our technology.

We are the ones who develop, but we give it away.

On another aspect concerning defense, Mr. Speaker, on October 7, for 3 days over at the Hyatt Regency Crystal City Hotel, only 2 minutes from the Pentagon, there is going to be a defense weapons trade bazaar.

This is literally at the Pentagon's doorstep, as I said; but the shocking thing about this trade bazaar is that no American, no U.S. defense manufacturer need apply for exhibit space, because this bazaar is strictly limited to firms and organizations from those foreign producers having access to DOD procurement market under terms of their government's memorandum of understanding, MOU's, with the United States.

The exhibiting countries will include Australia, Belgium, Canada, Denmark, Egypt, France, Germany, Israel, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Switzerland, Turkey, and the United Kingdom.

I want to emphasize once again, Mr. Speaker, that a U.S. manufacturer/

producer of defense weapons cannot get into this exhibit. According to testimony that was given before the Economic Stabilization Subcommittee of the House Committee on Banking, Finance and Urban Affairs by William G. Phillips, vice president, government relations of the National Council to Preserve the U.S. Defense Industrial Base, one of the principal workshop speakers, will be none other than Paal Prestegard, president of the Norwegian Government-owned Kongsberg firm that was part of the Toshiba sale of our silent submarine technology to the Soviet Union.

According to the literature from this COMDEF, Kongsberg Vapenfabrik will exhibit "missile systems, proximity fuses, ground-base air defense and command systems."

More than 150 foreign defense product exhibitors from 17 MOU countries are expected to show their wares at the show.

□ 1725

I do want to commend Chairman MARY ROSE OAKAR who is chairman of the Subcommittee on Economic Stabilization, who had this material brought out at a recent hearing only last week, as a matter of fact.

If we go through the other information that Mr. Phillips presented before that subcommittee, we will find that the participants in this affair and those who were invited—the invitation list looks like, you know, the whole Green Book from the Defense Department and from the State Department and from Capitol Hill; but among those who are scheduled in the calendar already, of those who have already accepted, one of the invitees is a man who appeared before the subcommittee earlier, Hon. Robert B. Costello, who is slated to speak there on October 8. His subject is "Mobilization Base and No Foreign Determination." According to Mr. Phillips, this refers to the list of defense weapons systems items so critically important to safeguarding U.S. national security that they are limited to domestic source procurement only under present policy. Rather frightening.

DOD Procurement Chief, Richard Godwin, is being advertised as the October 7 seminar speaker on the subject, "U.S. Defense Procurement in the Next Five Years," while Under Secretary of State Derwinski is scheduled to speak on "Current Technology Transfer Issue." DOD Assistant Secretary Spector is the advertised speaker on another key subject, "The MOUs and U.S. Procurement Policies and Procedures."

You know, Mr. Speaker, we are spending many, many billions of dollars of taxpayers' money overseas in procurement. What this money spent at our industries in this country could do to raise standards of living of many,

many thousands of Americans who need it, many thousands who would like good paying jobs, is something that I cannot even estimate here today.

I have objected, and I object very strenuously, to any taxpayers' dollars going overseas. I have supported the defense establishment all the way through, but this is wrong.

Now, the man who is putting this affair together is a former member of the British Embassy staff here in Washington. He has made it, as I said, very clear that no Americans are welcome.

I just think the whole approach on this is wrong. I would hope that somehow it could be stopped.

Unfortunately, we are a free country and as a free country we put out the red carpet to everybody to come in and they literally invade us. Economically, they are invading us, and yet in many instances when we go to their doorstep, the door is shut.

I and many of my colleagues, and I know that Chairman OAKAR on this committee and Congresswoman KAPTUR, who also is very concerned about this, would like to see a change and more interest focused on what we can do here in this country.

Some of the statements that have been issued in connection with this workshop say, and here are some of the direct quotes, and again a lot of people are not paying that much attention to what is being said:

Technology transfer to foreign competitors by U.S. industry has had a serious impact on U.S. competitiveness.

Yes, it has. That is another reason why I am so concerned about the lifting of these export controls, as now is written in the trade bill. If we lift anything more, if we transfer anything more, I think we might as well close shop over here in the manufacturing base.

Mr. Speaker, I do not think you want that, nor do I.

Trade policy making is highly fragmented.

Well, they are trying to say that in the United States we do not have trade policymaking.

Many departments establish policies that affect trade, often without consideration of the impact on U.S. competitiveness.

That is true. We fail to take into consideration all aspects of what will have an impact on our competitiveness.

Then they say:

U.S. trade laws are ineffective to meet the new realities of global competition.

True. We are giving it away. We need—and the reason that many of us supported the trade bill to start with is what we felt we had to make our trading partners realize that once and for all we meant business, that we were not going to just let them contin-

ue to walk over us, and then they slip in this technology transfer.

Then it says:

The international trading system under GATT has not kept pace with the evolution of the world economy.

Well, from what I hear on GATT, Mr. Speaker, the United States is really the only country that has abided by all aspects of GATT, and as a result of our usually being the good guy, we have exported more jobs overseas and that is one of the reasons that we are hurting.

GATT reform, if pursued without clear national security objectives, could have a negative impact on the defense industrial base.

Well, I would like to see GATT abolished altogether, but that is not for me to make that decision. I think that we need to give some serious consideration to whether these other countries are going to abide by GATT in the same playing field as we do.

Yes, Mr. Speaker, as I have said, there are a number of things that cause me and others who have watched the exportation of our jobs overseas, the evaporation of our manufacturing base in this country, who feel that it is time that we start looking out for ourselves. I think this is one of the areas right now. If they want to have a seminar or an exhibit for 3 days and invite all the foreign manufacturers and no American manufacturers, then I do not believe that a single official of the U.S. Government should be on hand.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DANIEL (at the request of Mr. NICHOLS), until further notice, on account of health reasons.

Mr. BADHAM (at the request of Mr. MICHEL), for today, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DAVIS of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, today.

Mr. GEKAS, for 5 minutes, today.

Mr. BOULTER, for 60 minutes, on September 9.

Mr. BOULTER, for 60 minutes, on September 10.

Mrs. BENTLEY, for 60 minutes, on August 7.

Mrs. BENTLEY, for 60 minutes, on September 9.

Mr. BURTON of Indiana, for 60 minutes, on August 4.

(The following Members (at the request of Mr. CONYERS) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. GAYDOS, for 60 minutes, on August 4.

Mr. GAYDOS, for 60 minutes, on August 5.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DAVIS of Illinois) and to include extraneous matter:)

Mr. SCHUETTE.

Mr. COURTER.

Mr. GILMAN.

Mr. FIELDS.

Mr. HENRY in two instances.

Mr. MICHEL in two instances.

Mr. HORTON.

Mr. EDWARDS of Oklahoma.

Mr. PORTER.

Mr. JEFFORDS.

Mr. OXLEY.

Mr. HOUGHTON.

Mr. FISH.

Mr. DONALD E. LUKENS.

Mr. BURTON of Indiana in two instances.

Mr. LEACH of Iowa.

Mr. COBLE.

Mrs. BENTLEY.

Mr. McCANDLESS.

Mrs. MEYERS of Kansas.

(The following Members (at the request of Mr. CONYERS) and to include extraneous material:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mrs. LLOYD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. DE LA GARZA in 10 instances.

Mr. TORRES in two instances.

Mr. FRANK.

Mr. MURTHA.

Mr. MINETA.

Mr. SMITH of Florida.

Mr. ASPIN.

Mrs. BOXER.

Ms. KAPTUR.

Mr. TRAFICANT.

Mr. DYSON.

Mr. MONTGOMERY.

Mr. LaFALCE.

Mr. CONYERS.

Mr. HOWARD.

Mr. SLATTERY in two instances.

Mr. STARK in two instances.

Mr. AuCOIN.

Mr. FLORIO.

Mr. TORRICELLI.

Mr. MANTON.

Mr. MATSUI.

Mrs. SCHROEDER.

Mr. WILLIAMS.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 970. An act to authorize a research program for the modification of plants and plant materials, focusing on the development and production of new marketable industrial and commercial products, and for other purposes; to the Committee on Agriculture.

S. Con. Res. 29. Concurrent resolution expressing the sense of Congress regarding the inability of American citizens to maintain regular contact with relatives in the Soviet Union; to the Committee on Foreign Affairs.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1198. An act to authorize a certificate of documentation for the vessel F/V Creole.

ADJOURNMENT

Mrs. BENTLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Tuesday, August 4, 1987, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1891. A communication from the President of the United States transmitting the FY 1987 supplemental budget of the District of Columbia, pursuant to Pub. L. 93-198, Sec. 446; Pub. L. 98-473 (H. Doc. 100-93); to the Committee on Appropriations and ordered to be printed.

1892. A letter from the Secretary of Education transmitting a copy of final regulations for the assistance for school construction in areas affected by Federal activities program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1893. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of Transmittal No. 8-87, concerning a proposed memorandum of understanding with the Governments of Canada, the Federal Republic of Germany, the Netherlands, Spain, and United Kingdom for the concept exploration phase of a NATO anti-air warfare system, pursuant to 22 U.S.C. 2767(f); to the Committee on Foreign Affairs.

1894. A letter from the Executive Secretary, Federal Home Loan Bank Board, transmitting a copy of the Board's activities under the Freedom of Information Act during calendar year 1986, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1895. A letter from the Executive Director, Federal Labor Relations Authority, transmitting the agency's report of its compliance under the Government in the Sunshine Act during calendar year 1986, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1896. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1897. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1898. A letter from the Chief Immigration Judge, Executive Office for Immigration Review, Department of Justice, transmitting copies of the grants of suspension of deportation for certain aliens, pursuant to 8 U.S.C. 1254(c); to the Committee on the Judiciary.

1899. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1988 and 1989, and for other purposes, pursuant to 31 U.S.C. 1110; jointly to the Committees on Energy and Commerce and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and referenced to the proper calendar, as follows:

[Pursuant to the order of the House on July 30, 1987 the following report was filed on July 31, 1987]

Mr. Sr GERMAIN: Committee of conference. Conference report on H.R. 27 (Rept. 100-261). Ordered to be printed.

[Pursuant to H. Res. 26, the following reports were filed on July 31, 1987]

Mr. MILLER of California: Select Committee on Children, Youth, and Families. A report on Federal programs affecting children, 1987 (Rep. 100-258). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Select Committee on Children, Youth, and Families. A report on U.S. children and their families: current conditions and recent trends, 1987 (Rep. 100-259). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Select Committee on Children, Youth, and Families. A report on abused children in America: victims of official neglect (Rep. 100-260). Referred to the Committee of the Whole House on the State of the Union.

[Submitted August 3, 1987]

Mr. HAWKINS: Committee on Education and Labor. H.R. 1340. A bill to improve the administration of the Department of Agriculture Commodity; distribution activities, and for other purposes; with amendments (Rep. 100-216, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOAKLEY: Committee on Rules. House Resolution 237. Resolution providing for the consideration of H.R. 1315, a bill to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1988 and 1989, and for other purposes (Rep. 100-263). Referred to the House Calendar.

Mr. BONIOR of Michigan: Committee on Rules. House Resolution 238. Resolution providing for the consideration of House Joint Resolution 132 designating April 24, 1987, as "National Day of Remembrance of the Armenian Genocide of 1915-1923" Rept. 100-264. Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2629. A bill to amend the Alaska National Interest Lands Conservation Act of 1980 to clarify the conveyance and ownership of submerged lands by Alaska Natives, Native Corporations and the State of Alaska; with an amendment.

Referred to the Committee on Merchant Marine and Fisheries for a period ending not later than Aug. 3, 1987 for consideration of such provisions of title II and title III of the amendment as fall within the jurisdiction of that Committee pursuant to clause 1(n), rule X (Rept. 100-262, Pt. 1). Ordered to be printed.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

[The following action occurred on July 31, 1987]

Under clause 5 of rule X the following action was taken by the Speaker:

H.R. 1340. Referral to the Committee on Education and Labor extended for a period ending not later than August 3, 1987.

[Submitted August 3, 1987]

Under clause 5 of rule X the following action was taken by the Speaker:

H.R. 2629. The Committee on Merchant Marine and Fisheries discharged, rules suspended, H.R. 2629 considered as amended and passed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AKAKA (for himself and Mrs. SAIKI):

H.R. 3072. A bill to require the construction or acquisition of facilities for a new Veterans' Administration medical center in Hawaii; to the Committee on Veterans' Affairs.

By Mr. ANTHONY (for himself, Mr. ALEXANDER, Mr. ROBINSON, and Mr. HAMMERSCHMIDT):

H.R. 3073. A bill to modify the McClellan-Kerr Arkansas River navigation project for the purpose of making water supply an authorized purpose of such project, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. DERRICK (for himself, Mr. GALLO, Mr. BOUCHER, Mr. COBLE, Mr. SLAUGHTER of Virginia, Mrs. MARTIN of Illinois, Mr. SYNAR, Mr. TORRICELLI, Mr. DEWINE, Mr. RINALDO, Mr. LELAND, and Mr. HUGHES):

H.R. 3074. A bill to amend title 35, United States Code, with respect to Patent term restoration, and for other purposes; to the Committee on the Judiciary.

By Mr. HERGER (for himself and Mr. BOSCO):

H.R. 3075. A bill to amend title 18, United States Code, to make it unlawful to spike timber, and for other purposes; to the Committee on the Judiciary.

By Mr. LANTOS:

H.R. 3076. A bill to amend the Internal Revenue Code of 1986 to permit individuals to receive tax-free distributions from an individual retirement account or annuity to purchase their first home; to the Committee on Ways and Means.

By Mr. MORRISON of Washington:

H.R. 3077. A bill to suspend certain activities of the Secretary of Energy under the Nuclear Waste Policy Act of 1982, to authorize construction of regional monitored retrievable storage facilities, and for other purposes; jointly, to the Committees on Interior and Insular Affairs; Energy and Commerce; Science, Space, and Technology; and Public Works and Transportation.

By Mr. PASHAYAN (for himself, Mr. BOSCO, Mr. HERGER, Mr. YOUNG of Alaska, Mr. MARLENEE, Mr. STUMP, Mr. CRAIG, Mr. STALLINGS, Mr. ROBERT F. SMITH, Mr. NIELSON of Utah, Mr. SHUMWAY, Mr. CAMPBELL, Mr. DANNEMEYER, and Mr. OLIN):

H.R. 3078. A bill to amend section 1853 of the act of June 25, 1948; to the Committee on the Judiciary.

By Mr. ROWLAND of Connecticut

(for himself, Mr. HUNTER, Mr. IRELAND, Mr. HANSEN, Mr. DONALD E. LUKENS, Mr. BURTON of Indiana, and Mr. WILSON):

H.R. 3079. A bill to prohibit the Secretary of Defense from entering into contracts with the Toshiba Corp. and Kongsberg Vapenfabrik; to the Committee on Armed Services.

By Mr. SOLARZ:

H.R. 3080. A bill to make demonstration grants to local educational agencies eligible to receive assistance under title I of the Elementary and Secondary Education Act of 1965, as modified by chapter 1 of the Education Consolidation and Improvement Act of 1981, in order to strengthen the educational partnership between the family and the school, and for other purposes; to the Committee on Education and Labor.

By Mr. WILLIAMS (for himself, Mr. ENGLISH, Mr. JOHNSON of South Dakota, Mr. STALLINGS, and Mr. DORGAN of North Dakota):

H.R. 3081. A bill to consolidate and improve existing emergency livestock feed assistance programs administered by the Secretary of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. WISE:

H.R. 3082. A bill to amend the Motor Vehicle Information and Cost Savings Act to provide for the appropriate treatment of methanol and ethanol, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. LEVINE of California (for himself, Mr. WOLPE, Mr. SOLARZ, Mr. LEACH of Iowa, and Mr. BROOMFIELD):

H. Res. 239. Resolution expressing the sense of the House of Representatives on future United States assistance to Pakistan; to the Committee on Foreign Affairs.

By Mr. LANTOS:

H. Res. 240. Resolution supporting the people of Haiti in their efforts to obtain respect for human rights and the holding of free and fair elections in Haiti, and for other purposes; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII.

177. The SPEAKER presented a memorial of the General Assembly of the State of Illinois, relative to the reauthorization of the Older Americans Act; which was referred to the Committee on Education and Labor.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 245: Mr. BARNARD, Mr. BOUCHER, Mr. DAVIS of Illinois, Mr. JOHNSON of South Dakota, and Mr. SMITH of Texas.

H.R. 378: Mr. GONZALEZ.

H.R. 390: Mr. DONNELLY, Mr. VENTO, Mr. BOUCHER, Mr. ERDREICH, Mr. WHEAT, Mr. BROWN of California, Mr. DURBIN, Mr. EVANS, Mr. ST GERMAIN, Mr. SYNAR, Mr. THOMAS of Georgia, Mr. HENRY, Mr. UDALL, Mr. GEPHARDT, Mr. HUNTER, Mr. MADIGAN, Mr. WISE, Mr. FOGLIETTA, Mr. RAHALL, Mr. TORRES, Mr. GORDON, Mr. HUTTO, Mr. LANTOS, Mr. BALLENGER, Mr. BEILSON, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BRUCE, Mr. CARPER, Mr. CARR, Mr. COELHO, Mr. DORGAN of North Dakota, Mr. DREIER of California, Mr. FORD of Tennessee, Mr. GAYDOS, Mr. GEJDENSON, Mr. GONZALEZ, Mr. HEFNER, Mr. HOPKINS, Mr. HUCKABY, Mr. KILDEE, Mr. LAFALCE, Mr. LEATH of Texas, Mr. LEHMAN of California, Mr. LEVINE of California, Mr. MCCOLLUM, Mr. MACK, Mr. MARKEY, Mr. MAZZOLI, Mr. MILLER of Washington, Mr. MONTGOMERY, Mr. NICHOLS, Mr. OBERSTAR, Mr. PENNY, Mr. ROSE, Mr. SHARP, Mr. SLATTERY, Ms. SNOWE, Mr. STUMP, Mr. TORRICELLI, Mr. WYLIE, Mr. FLIPPO, Mr. HARRIS, and Mrs. BOGGS.

H.R. 469: Mr. HASTERT.

H.R. 514: Mr. LATTI.

H.R. 622: Mr. FIELDS, Mr. DAUB, Mr. BUSTAMANTE, Mr. NICHOLS, Mr. NIELSON of Utah, Mr. QUILLEN, Mr. HORTON, Mr. MARLENEE, and Mr. NATCHER.

H.R. 779: Mr. GRAY of Pennsylvania.

H.R. 898: Mr. HAYES of Louisiana.

H.R. 1028: Mr. NEAL.

H.R. 1158: Mr. COELHO and Ms. PELOSI.

H.R. 1217: Mr. KOLTER.

H.R. 1259: Mr. SCHUETTE.

H.R. 1433: Mr. WEISS, Miss SCHNEIDER, and Mr. KASTENMEIER.

H.R. 1506: Mr. BROWN of California and Mr. PEPPER.

H.R. 1606: Mr. ARCHER, Mr. NEAL, and Mr. LOWERY of California.

H.R. 1623: Mr. BOUCHER and Mr. BRYANT.

H.R. 1646: Mr. OWENS of New York.

H.R. 1651: Mr. HOCHBRUECKNER.

H.R. 1729: Mr. SHUSTER and Mr. PENNY.

H.R. 1766: Mr. JOHNSON of South Dakota.

H.R. 1808: Mr. SOLOMON and Mr. WOLPE.

H.R. 1816: Mr. JEFFORDS.

H.R. 1981: Mr. BARTON of Texas.

H.R. 1987: Mr. LOTT.

H.R. 2045: Mr. CHAPMAN.

H.R. 2240: Mr. BEILSON.

H.R. 2248: Mr. MARTINEZ.

H.R. 2260: Mr. DONNELLY, Mr. DELAY, Mr. ARMEY, Mr. MCDADE, Mr. WATKINS, Mr. EMERSON, Mr. HILER, Mr. HAYES of Illinois, Mr. CAMPBELL, and Mr. MANTON.

H.R. 2298: Mr. HOLLOWAY and Mr. WEBER.

H.R. 2456: Mr. CLINGER, Mr. STUDDS, Mrs. KENNELLY, Mr. MRAZEK, and Mr. WAXMAN.

H.R. 2487: Mr. CONYERS, Mr. TORRICELLI, Mr. WELDON, Mr. MARTIN of New York, Mr. BROWN of California, Mr. LUJAN, Mr. ESPY, Mr. VALENTINE, Mr. BERMAN, Mrs. SAIKI, Mr. SHUMWAY, Mr. KILDEE, and Mr. HAYES of Illinois.

H.R. 2521: Mr. WOLPE, Mr. PANETTA, and Mr. BEILSON.

H.R. 2587: Mr. THOMAS of Georgia, Mr. LIVINGSTON, Mr. COURTER, Mr. SIKORSKI, Mr. LEHMAN of Florida, Mr. CAMPBELL, Mr. PARRIS, Mr. RITTER, Mr. BALLENGER, and Mr. BAKER.

H.R. 2607: Mr. SUNIA and Mr. FISH.

H.R. 2611: Mr. TAUKE, Mr. MACKAY, Mr. DEWINE, Mr. HUGHES, and Mr. OXLEY.

H.R. 2624: Mr. HYDE, Mr. HOLLOWAY, and Mr. NIELSON of Utah.

H.R. 2628: Mr. BARTON of Texas.

H.R. 2640: Mr. JOHNSON of South Dakota, Mr. ESPY, Mr. DERRICK, Mr. WOLPE, Mr. BROOMFIELD, Mr. SLAUGHTER of Virginia, Mr. CLINGER, Mr. UPTON, Mr. ROWLAND of Georgia, Mr. BATEMAN, Mr. SPENCE, Mr. WATKINS, Mr. SCHUETTE, Mr. SAXTON, and Mr. THOMAS of Georgia.

H.R. 2649: Mr. OWENS of New York, Mr. DARDEN, Mr. NIELSON of Utah, Mr. MOAKLEY, Mr. FOGLIETTA, Mr. LANTOS, Mr. YATRON, Mr. STUDDS, Mr. LENT, Mr. BILBRAY, Mr. JOHNSON of South Dakota, Mr. HAYES of Illinois, Mr. DE LUGO, Mr. BILEY, Mr. LIVINGSTON, and Mr. BEVILL.

H.R. 2692: Mrs. COLLINS and Mr. NEAL.

H.R. 2793: Mrs. SAIKI.

H.R. 2800: Mr. LAGOMARSINO, Mr. BRUCE, Mr. WAXMAN, Mr. JONTZ, Mr. FASCELL, Mr. KOSTMAYER, Mr. BUSTAMANTE, Mr. GREEN, and Mr. PURSELL.

H.R. 2801: Mr. FEIGHAN, and Mr. KOLTER.

H.R. 2811: Mr. PASHAYAN.

H.R. 2837: Mr. GORDON.

H.R. 2844: Mr. FRANK and Mr. ATKINS.

H.R. 2848: Mr. ECKART, Mr. WISE, Mr. OLIN, Mr. PENNY, and Mr. WILSON.

H.R. 2856: Mr. LEWIS of Florida and Mr. NIELSON of Utah.

H.R. 2881: Mr. SAWYER, Mr. FORD of Michigan, Mr. STUDDS, Mr. WILSON, Mr. SHUMWAY, and Mr. LEVINE of California.

H.R. 2884: Mrs. BYRON.

H.R. 2919: Mr. LAGOMARSINO.

H.R. 2926: Mr. TOWNS, Mr. BIAGGI, Mr. GRAY of Illinois, Mr. FROST, and Mr. GRAY of Pennsylvania.

H.R. 3005: Mr. COELHO.

H.R. 3010: Mrs. BOXER, Mr. REGULA, Mr. BEILSON, Mr. HOCHBRUECKNER, Mr. RAVENEL, Mr. JEFFORDS, Mr. DAVIS of Illinois, Mr. ATKINS, Mr. STOKES, Mr. LANTOS, Mr. DEFazio, and Mr. GREEN.

H.R. 3039: Mr. KLECZKA, Mr. MILLER of California, Mr. NEAL, Mr. GEJDENSON, Mr. CONYERS, Mr. LEVINE of California, and Mr. MCCLOSKEY.

H.R. 3050: Mr. LEWIS of Georgia, Mr. FAUNTROY, Mr. OWENS of New York, Mr. HAYES of Illinois, Mr. DYMALLY, Mrs. COLLINS, and Mr. GRAY of Pennsylvania.

H.J. Res. 24: Mr. TORRICELLI, Mr. CONTE, Mr. DONNELLY, Mr. DARDEN, Mr. HANSEN, Mr. FLIPPO, Mr. OBERSTAR, Mr. ROYBAL, Mr. YATRON, Mr. BLAZ, Mr. COYNE, Mr. SIKORSKI, Mr. BATEMAN, Mr. STANGELAND, Mr. BRUCE, Mr. CROCKETT, Mr. FAWELL, Mr. DELUMS, Mr. WYLIE, Mr. KASTENMEIER, Mr. HALL of Texas, Mr. JEFFORDS, Mr. STUDDS, Mr. SCHUMER, Mr. KANJORSKI, Mr. MATSUI, Mrs. BYRON, Mr. RUSSO, Mr. LOWERY of California, Mr. BATES, Mr. CHAPMAN, Mr. CAMPBELL, Mr. PANETTA, Mr. ALEXANDER, Mr. APPLEGATE, Mr. BROOMFIELD, Mr. CONYERS, Mr. PURSELL, Mr. DORGAN of North Dakota, Mr. FORD of Michigan, Mr. BOUCHER, and Mr. GONZALEZ.

H.J. Res. 48: Mr. GRANDY, Mr. GREGG, Mr. BALLENGER, and Mr. ROTH.

H.J. Res. 100: Mr. BROWN of California.

H.J. Res. 130: Mr. FLAKE, Mr. FLIPPO, Mr. HYDE, Mr. HUTTO, Mr. CLAY, Mr. GEKAS, Mr. GOODLING, Mr. GORDON, Mr. RAVENEL, Mr. NATCHER, Mr. UDALL, Mr. TAUKE, Mr. MARKEY, Mr. THOMAS of Georgia, Mr. TRAXLER, Mr. MFUME, Mr. CAMPBELL, Mr. CHANDLER, Mr. DANIEL, Mr. DARDEN, Mr. DE LUGO, Mr. LANCASTER, Mr. HILER, Mr. INHOFE, Mr. PANETTA, and Mr. MONTGOMERY.

H.J. Res. 180: Mr. PARRIS, Mr. SUNDQUIST, Mr. CLAY, Mr. OLIN, Mr. GREGG, Mr. LOWRY of Washington, Mr. MACKAY, Mr. MILLER of California, Mr. MILLER of Washington, Mr. MINETA, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. MORRISON of Washington, Mr. NATCHER, Mr. NELSON of Florida, Mr. PEPPER, Mr. PERKINS, Mr. PRICE of North Carolina, Mr. RODINO, Mr. SWIFT, Mr. ANDERSON, Mr. BILBRAY, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BOSCO, Mrs. BOXER, Mr. CARR, Mr. CHANDLER, Mr. COELHO, Mr. FLIPPO, Mr. FOLEY, and Mr. HOYER.

H.J. Res. 206: Mr. CONYERS, Mr. BEVILL, Mr. WELDON, Mr. RODINO, Mr. CHANDLER, Mr. LEVIN of Michigan, Mr. LIVINGSTON, Mr. CARPER, Mr. MCDADE, Mr. NEAL, Mr. BURTON of Indiana, Mr. MCCOLLUM, Mr. FOGLIETTA, Mr. SUNDQUIST, and Mr. YATRON.

H.J. Res. 217: Mr. BIAGGI, Mr. MAZZOLI, Mr. SCHAEFER, Mr. BURTON of Indiana, Mr. FAWELL, Mr. HOPKINS, Mrs. JOHNSON of Connecticut, Mr. LUJAN, Mr. PARRIS, Mr. RHODES, and Mr. ROBERTS.

H.J. Res. 231: Mr. NICHOLS, Mr. MFUME, Mr. MCEWEN, Mr. FISH, Mr. FORD of Tennessee, Mr. LANTOS, Mr. LATTI, Mr. SAXTON, Mr. MARTIN of New York, Mr. GREGG, Mr. BENNETT, Mr. DYMALLY, Mr. FLIPPO, Mr. MORRISON of Connecticut, Mr. BERMAN, Mr. DUNCAN, Mr. MOORHEAD, Mr. LENT, Mr. CARPER, Mr. OBEY, Mr. PEPPER, Mr. WOLPE, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. GUARINI, Mr. BROWN of California, Mr. SMITH of New Jersey, Mr. FLORIO, Mr. DONNELLY, Mr. SOLARZ, Ms. SLAUGHTER of New York, Mrs. KENNELLY, Mr. SCHEUER, Mr. RANGEL, Mr. MCHUGH, Mr. MORRISON of Washington, Mr. BUSTAMANTE, Mr. MATSUI, Mr. COURTER, Mr. CONTE, Mr. MCCOLLUM, Mr. MACKAY, Mr. PERKINS, Mr. MCMILLEN of Maryland, Mr. RINALDO, Mr. GONZALEZ, Mr. ASPIN, Mr. HALL of Texas, Mr. DWYER of New Jersey, Mr. ROWLAND of Georgia, Mr. DORNAN of California, Mr. NELSON of Florida, Mr. MURPHY, Mr. MCGRATH, Mr. RODINO, Mr. WELDON, Mr. THOMAS A. LUKEN, Mr. MANTON, Mr. PURSELL, and Mr. BOLAND.

H.J. Res. 240: Mr. LEWIS of Georgia, Mr. ATKINS, Mr. LAGOMARSINO, and Mr. DEWINE.

H.J. Res. 299: Mr. TAUKE, Mr. YOUNG of Florida, Mr. MCEWEN, Mr. MILLER of Ohio,

Mrs. VUCANOVICH, Mr. PORTER, Ms. SLAUGHTER of New York, Mr. BARTON of Texas, Mr. SWEENEY, Mr. FOGLIETTA, Mr. BATES, Mr. BARTLETT, Mr. HOYER, Mr. SCHAEFER, Mr. INHOPE, Mr. ANDREWS, Mr. BEILSONSON, Mrs. BOGGS, Mr. BOUCHER, Mr. DONNELLY, Mr. DOWNEY of New York, Mr. DURBIN, Mr. EARLY, Mr. FRANK, Mr. GUARINI, Mr. KLECZKA, Mr. LEWIS of Georgia, Mr. MAVROULES, Mr. MICA, Mr. MILLER of California, Mr. MURPHY, Mr. RICHARDSON, Mr. SMITH of Iowa, Mr. SYNAR, Mr. TORRES, Mr. TORRICELLI, Mr. WALGREN, Mr. WATKINS, Mr. RINALDO, Mr. CARDIN, Mr. ENGLISH, Mr. KASTENMEIER, Mr. RANGEL, Mr. AU COIN, Mr. BERMAN, Mr. BILBRAY, Mr. BRYANT, Mr. COLEMAN of Texas, Mr. CONYERS, Mr. COYNE, Mr. FLORIO, Mr. HAYES of Illinois, Mr. HERTEL, Mr. MCHUGH, Mr. MANTON, Mr. RAY, Mr. SPRATT, Mr. WOLFE, Mr. BAKER, Mr. BROWN of Colorado, Mr. COBLE, Mr. DREIER of California, Mr. EMERSON, Mr. GREGG, Mr. HANSEN, Mr. HEFLEY, Mr. HERGER, Mr. LATTI, Mr. DONALD E. LUKENS, Mr. MOLINARI, Mr. MOORHEAD, Mr. PARRIS, Mr. RHODES, Mr. RITTER, Mrs. SAIKI, Mr. SCHUETTE, Mr. SKEEN, Mr. SLAUGHTER of Virginia, Mr. SMITH of New Hampshire, Ms. SNOWE, Mr. SOLOMON, Mr. STUMP, and Mr. SUNQUIST.

H.J. Res. 313: Mr. BEVILL, Mr. NIELSON of Utah, Mr. KOLTER, Mr. STOKES, Mr. LUNGREN, Mr. MURPHY, Mr. GINGRICH, Mr. GUARINI, Mr. ANDREWS, Mr. OBERSTAR, and Mr. DAVIS of Illinois.

H.J. Res. 315: Mr. MAZZOLI.

H.J. Res. 326: Mr. VOLKMER, Mr. LEWIS of Georgia, Mr. KLECZKA, Mr. McMILLEN of Maryland, Mr. GARCIA, Mr. UPTON, Mr. KOLTER, Mr. BILBRAY, Mr. DEWINE, Mr. SAVAGE, Mr. ATKINS, Mr. OWENS of New York, Mr. TRAFICANT, Mr. BORSKI, Mr. DAVIS of Michigan, Mr. BLAZ, and Mr. MATSUI.

H.J. Res. 327: Mr. BLILEY, Mr. BROWN of Colorado, Mr. MARTINEZ, Mr. ROBINSON, Mr. SCHUETTE, Mr. ENGLISH, Mr. LAGOMARSINO, and Mr. DORNAN of California.

H.J. Res. 336: Mr. LANCASTER, Mr. HERTEL, Mrs. KENNELLY, Mr. FAUNTROY, Mr. DE LA GARZA, Mr. LEWIS of Georgia, Mr. DWYER of New Jersey, Mr. FROST, Mr. KENNEDY, Mr. YOUNG of Florida, Mr. BATES, Mrs. VUCANOVICH, Mr. GOODLING, Mr. DAUB, Mrs. ROUKEMA, and Mr. ATKINS.

H. Con. Res. 5: Mr. YATES, Mr. SLATTERY, Mr. DE LUGO, Mr. CLARKE, Mr. WOLF, Mr. WYDEN, Mr. BERMAN, Mr. TOWNS, Mrs. BOXER, Mr. BATEMAN, Mr. DEFazio, Mr. ERDREICH, Mr. PETRI, Mr. BILIRAKIS, Mr. SCHUETTE, Mr. BUSTAMANTE, Mr. TORRICELLI, Mr. HOYER, Mr. DAUB, Mr. MICA, Mr. UDALL, Mr. CARDIN, Mr. MOODY, and Mr. GREEN.

H. Con. Res. 83: Mr. BOLAND, Mrs. LLOYD, and Mr. CARDIN.

H. Con. Res. 111: Mr. KOLTER.

H. Con. Res. 160: Mr. BADHAM, Mr. MARTINEZ, Mr. DORNAN of California, and Mr. DELAY.

H. Res. 189: Mr. DORGAN of North Dakota, Mr. MRAZEK, Mr. KOSTMAYER, Mr. TRAFICANT, Mr. GRAY of Pennsylvania, Mr. LEVINE of California, Mr. LEWIS of Georgia, Mr.

MARTINEZ, Mr. KOLTER, Mr. SIKORSKI, Ms. PELOSI, Mr. TORRES, Mr. HAYES of Illinois, Mr. DEFazio, Mr. TOWNS, Mr. WOLFE, Ms. KAPTUR, Mr. MFUME, Mr. CONYERS, Mr. CLAY, Mr. DIXON, Mr. DELLUMS, Mr. HOWARD, Mr. BONIOR of Michigan, Mr. MILLER of California, Mr. FAZIO, Mr. FROST, and Mr. EVANS.

H. Res. 225: Mr. BILBRAY, Mr. BOEHLERT, Mr. DELAY, Mr. GARCIA, Mr. HENRY, Mr. JONES of North Carolina, Mr. KASICH, Mr. KOLTER, Mr. LANCASTER, Mr. DONALD E. LUKENS, Mr. MACK, Mr. MARTIN of New York, Mr. MINETA, Mr. NEAL, Mr. OBERSTAR, Mr. SAVAGE, and Mr. STUMP.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1315

By Mr. ECKART:

—At the end of the bill, add the following new section:

SEC. 7. OPEN MEETINGS.

No amount authorized to be appropriated under section 1 may be used in fiscal year 1988 or 1989 to hold any Nuclear Regulatory Commission meeting that does not conform to the regulations contained in sections 9.100 through 9.109 of title 10 of the Code of Federal Regulations, as in effect on January 1, 1985.

EXTENSIONS OF REMARKS

NATALIE HINDERAS, INTERNATIONALLY ACCLAIMED PIANIST

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. STOKES. Mr. Speaker, on July 22, 1987, America lost a great artist, humanitarian, teacher, and international star. Natalie Hinderas, a renowned black classical pianist passed away at her home in Philadelphia.

Over the years, Ms. Hinderas' contributions to music have been internationally acclaimed. Ms. Hinderas has provided inspiration to young artists the world over. She has promoted the careers of aspiring black artists and encouraged performance of the music of black composers.

Her mother Leota Palmer, a pianist, composer, and teacher at the Cleveland Institute of Music, was her first music teacher. Ms. Hinderas began studying music at age 3. By age 5 she had appeared as a pianist and singer in many variety shows. She made her first recital appearance at age 8 and began teaching other youngsters by the time she was 10.

Ms. Hinderas deserves to be recognized and honored. She gave generously of her time and musical talent to help generations of the students whose lives she touched.

I would like to enter into the CONGRESSIONAL RECORD an article published in the Philadelphia Inquirer, July 23, 1987, which highlights Ms. Hinderas' career.

Mr. Speaker, I ask that my colleagues join me in extending our sympathy to Ms. Hinderas' family and her many friends.

[FROM THE PHILADELPHIA INQUIRER, JULY 23, 1987]

NATALIE HINDERAS, 60, INTERNATIONAL PIANIST

(By Daniel Webster)

Natalie Hinderas, 60 a pianist who promoted music by black and other contemporary composers in an international career, died yesterday of cancer at her home in Elkins Park.

She premiered works by a number of composers, including George Walker and Joseph Castaldo, and performed Alberto Ginastera's *Piano Concerto No. 1* with the Philadelphia Orchestra and the New York Philharmonic, among other orchestras.

Her playing was marked by unusual refinement of sound in standard works and a bold articulation in new music.

Born Natalie Henderson in Oberlin, Ohio, she grew up in a musical family. Her father was a jazz musician who divorced her mother, Leota Palmer, a pianist, composer and teacher at the Cleveland Institute of Music. Her grandparents also were musicians.

Miss Hinderas' mother was her first music teacher. She began piano studies at age 3, and was appearing as a pianist and singer in variety shows at age 5, when her mother de-

cided that the piano was to be her focus. Miss Hinderas made her first recital appearance at 8 and began teaching other youngsters by the time she was 10.

She entered Oberlin Conservatory and appeared as soloist with the Cleveland Women's Symphony at age 12. She graduated at 18 and went on to study in New York with Olga Samaroff and at the Philadelphia Conservatory with Eduard Steuermann.

Miss Hinderas was chosen to make two tours of Europe in the early 1950s under the aegis of the State Department, and in 1954 she was signed to a contract for regular radio recitals on the NBC television network.

The Leventritt Foundation sponsored a series of her appearances with major American orchestras, and in the late 1950s she made a four-month world tour for the State Department. In 1961, she played to open the cultural center in Lagos, Nigeria, as a representative of the American Society for African Culture.

Her heritage was black, American Indian, Italian and Latin American, and she early made her music an aspect of a larger concern for humanitarian understanding. She once declared, "I am an integrationist. Good heavens. I've always been proud of my race."

Even as her career blossomed in the 1960s and 1970s, she undertook teaching programs, including one at the Settlement Music School, that stressed interracial participation. Miss Hinderas also organized tours of black colleges to provide her listeners with programs and lectures on the black musical heritage of the United States.

She made it a point to talk to her audiences about her music after her performances. As her career continued, she also researched lesser-known composers. She began to turn up more and more significant music by black composers, and undertook her major recording project, the two-record album *Music by Black Composers*. In it she played works by George Walker, Nathaniel Dett, William Grant Still, Stephen Chamber and John W. Work.

She played her debut with the Philadelphia Orchestra in 1971, and returned periodically, usually with contemporary concertos or music by Grieg and Rachmaninoff.

In 1966, she was named lecturer at Temple University's College of Music, and through the years eventually became a full professor. She won the university's Creative Achievement Award in 1985. Among her students have been Leon Bates, Horatio Miller, Joel Martin and Judith Willoughby Miller.

Helen Laird, Temple's music dean, said yesterday that "each of us mourns the loss of a great artist who inspired us all with her artistry, musical ideas and brilliance at the keyboard and her very positive attitude toward life."

The pianist's manager, Joanne Rile, said she had met Miss Hinderas as a neighbor in Mount Airy before she knew her as a pianist. Rile became her manager in 1968 and they had remained business associates since then.

Her final public appearances were at a taped performance of music by black com-

posers made April 12 at Ramapo College of New Jersey and a concert May 3 at Temple Keneseth Israel in Elkins Park.

In 1960, she married Lionel J. Monagas, then an executive at WHYY-TV (Channel 12) when she was producing programs titled, *WHYY's Young Artist Series* and *Robin Hood Dell Previews*. They have a daughter, Michele, who lives in New York.

In addition to her husband and daughter, she is survived by her mother.

IN MEMORY OF A SAILOR
SERVING PEACE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. FLORIO. Mr. Speaker, on Thursday, July 30, the Nation and the State of New Jersey were stunned by the tragic loss of one of our citizens, a young man serving our country abroad in the Persian Gulf.

U.S. Navy Lt. (j.g.) James F. Lazevnick of Paulsboro, NJ, was a serviceman in the true sense of the word. He loved his country and followed his country wherever it led him.

On Thursday, his patriotism led him to the most noble sacrifice, giving his life in the course of his duty.

In the performance of his duty as a helicopter copilot, he was killed in a crash while trying to land on the deck of the U.S.S. *La Salle*, escorting Kuwaiti tankers in the Persian Gulf.

Along with the other Navy personnel who died and those who were injured in the crash, Lieutenant Lazevnick's exceptional sacrifice is a reminder of the danger that our servicemen face every day as they defend our Nation. His death is a reminder that often, a sailor is asked to pay the highest price in the course of his duty.

The family and citizens in the Borough of Paulsboro are mourning his death. As they draw together to remember his courage and the devotion that he demonstrated to his Nation, they will remember a young man who knew that the road from Paulsboro to Persia was a long and dangerous road.

His sacrifice is a sacrifice on the behalf of all citizens, for the soldiers and sailors who are closest to the peril from which they protect us and their families and friends who stay behind and pray for their speedy and safe return.

As the flags of Paulsboro fly at half-staff in memory of this tragic loss, I wish to extend my condolences to the family of Lieutenant Lazevnick.

As I join the community in expressing my sorrow for the loss of this soldier, I am including an article appearing in the Philadelphia Inquirer, honoring this young man and his sacrifice:

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

A NEW JERSEY TOWN MOURNS GULF CASUALTY

(By Kitty Dumas)

The Stars and Stripes is flying at half staff in Paulsboro, N.J.—the home of U.S. Navy Lt. j.g. James F. Lazevnick, 26—as residents of the tightly knit community mourn the hometown boy was killed Thursday in a helicopter crash in the Persian Gulf.

Lazevnick, the co-pilot, was killed after his helicopter, among U.S. forces protecting Kuwaiti oil tankers in the gulf, crashed into the sea while trying to land on the LaSalle, the command ship of U.S. forces in the gulf. The helicopter was on a routine transport mission.

Lazevnick and his wife, Linda, had no children. Relatives said they lived in Newport News, Va., but Lazevnick grew up in Paulsboro and his parents live there.

Paulsboro Mayor John Burzichelli said yesterday that he had ordered the flags flown at half staff until the day after Lazevnick is buried. Funeral arrangements are incomplete.

"You don't think this would happen in Paulsboro," Burzichelli said. "We're really shocked about it and saddened for the family."

"I know his mother and father real well," he said. "He graduated in 1980 with my son from Paulsboro High School." Lazevnick then attended the U.S. Naval Academy, graduating in 1984.

Robert Damminger, 30, is Lazevnick's cousin and a borough councilman.

Damminger said they had heard about the crash Thursday afternoon, but were not notified until two Navy officers arrived at the Lazevnick's home about 10 that night to notify the family that James Lazevnick had been killed.

"He loved the Naval Academy," Damminger said of James Lazevnick. "His family is very proud of him."

Rita Kelly lives across the street from Lazevnick's parents, John and Elizabeth. She and Lazevnick's mother Elizabeth, grew up together, as did their children. The Lazevnick's have three other children, Mary Beth, John and Joseph.

Yesterday, Elizabeth Lazevnick told Kelly the tragic news.

"He was just a neat kid," Kelly said, her voice breaking.

"My own son was in the Naval Academy, too, so it's very hard for me," Kelly said.

"They were in very close contact with him through letters," she said.

"They were and are a very closely knit family," she said.

When their son was sent to the Middle East the Lazevnick's feared for his safety, Kelly said.

"I know his mother had reservations. They felt distressed. But I think from everything Betty told me he felt that it was his duty," she said.

"Jimmy felt very proud of the job he was doing."

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the

Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans, and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter which I received from Dr. Franklin G. Ebaugh, Jr., Chief of Staff at the VA Medical Center at Palo Alto, CA, which demonstrates how the VA employees feel about their medical computer system. The letter follows:

STANFORD UNIVERSITY
MEDICAL CENTER,
Stanford, CA, March 27, 1987.

HON. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington,
DC.

DEAR MR. CHAIRMAN: I understand that comparing the merits of the DHCP system with the McDonnell Douglas Computer System is being considered.

It would be extremely important while this comparison is being made not to stop funding the DHCP but to continue the funding until the day before a decision is made, if a decision is made to switch to another system. To do otherwise and stop supporting the DHCP while a comparison is being made would result in total and utter chaos in the management of the VA hospitals and would have very serious effects on health care.

We are now only just beginning to master the DHCP system, for example, getting our Laboratory on line, being able to get good data about the number and types of patients seen, getting the appointment schedule going, etc. If we stop the DHCP system and do not continue to add to it and support it, the results will be, as I said before, absolutely catastrophic. Furthermore, the cost of the mainframe is a smaller part than the peripherals, which could be used under either system. Also, it would not be a waste of money to continue to support the DHCP mainframe even though it would not ultimately be used, since it would still be a valuable computer resource that could be well and profitably used by the VA hospital system.

If the DHCP system is not supported before the switch over, if a switch does occur, this might result in a down time of from five to seven years, which would be very damaging to our patient care efforts. Therefore, I urge you to continue to support the DHCP system.

I'm writing this as a private citizen, but I have considerable expertise concerning the above subject matter since I am Chief of Staff at the VA Medical Center in Palo Alto, California.

Sincerely,

FRANKLIN G. EBAUGH, JR., M.D.

PERSONAL EXPLANATION

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. TORRES. Mr. Speaker, I was unavoidably absent on official business during rollcall votes 291, 292, and 293 on Thursday, July 30. Had I been present on the House floor, I would have voted as follows:

Rollcall 291, on approval of the Journal of Wednesday, July 29, "yea."

Rollcall 292, on the Sikorski amendment to H.R. 1414, "aye."

Rollcall 293, on final passage of H.R. 1414, "aye."

THE CONTRAS AT WAR

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MICHEL. Mr. Speaker, given the fact that it is all but universally agreed upon in the House that the current rulers of Nicaragua are self-avowed Marxist-Leninists; that is Communists, on what principle do we believe the Sandinistas will negotiate themselves out of power or institute what we in the West agree are basic human and civil rights?

It certainly can't be a principle found in Marxism-Leninism, because no such principle exists. How could it exist when the true believer in Marxism-Leninism dogma is convinced that because of his allegedly "scientific" understanding of history and the inner workings of society—an understanding open only to those who have embraced Marxism-Leninism—he has a duty and a historical right to determine the future course of his country?

If the principle of compromise cannot be found in Marxism-Leninism itself, where can we look for it? Only in the application of military pressure against the Sandinista government to such a degree that in order to save part of the revolution, they may be willing, with typical Communist pragmatism when dealing with tactical matters, to offer what they consider to be bourgeois, decadent, and imperialistic freedoms such as freedom of the press, and so forth.

We should pay the Communists in Nicaragua the tribute of saying they practice what they believe in and believe in what they practice. They are dedicated men and women. That their dedication is devoted to a cause which is the very antithesis of what we know as human freedom, is of course the major question. But we should not insult them by dealing with them as if they shared our values. They despise our values. They loathe what we term liberal democracy. They are in principle—and must be in principle—against every form of bourgeois morality or western political and economic structure that does not, for the moment, meet some immediate tactical requirement of the revolution.

Thus, all this talk that Nicaragua now has a "mixed economy" may be for the moment

true, but is beside the point. Whatever remnants of free enterprise that still exist in Nicaragua are there because of the current tactical and propaganda needs of the Communists, not because the Communists agree in principle to the right of private ownership of business or industry. Why don't supporters of the Sandinistas in the United States acknowledge that fact?

The Sandinistas are true Communist revolutionaries and have been since 1961. They believe in the ideals and the goals and, most especially, the tactics, set down by Lenin many years ago. Such adherence to a faith would be admirable if we did not already know the price others have had to pay all over the world for the Communists to be able to put that faith into practice.

What about human rights abuses among the Sandinistas? The Wall Street Journal addressed this point recently.

At the point I wish to insert in the RECORD, "The Contras at War," from the editorial page of the Wall Street Journal, Friday, July 31, 1987.

THE CONTRAS AT WAR

When public support for the Nicaraguan Contras shot up following Oliver North's TV appearances, the Contras' congressional opponents said it couldn't last, that the campaign to defund the freedom fighters would continue. Now comes a respected human-rights report on the anti-Sandinista guerrillas. While the report pointedly criticizes aspects of the Contras' behavior, there's no blinking at the ironic fact that this critique exists because the Contras are perhaps the first army in modern civil war to let independent human-rights workers monitor their activities in the field.

Nowhere are the articles of the Geneva Convention more commonly ignored than in civil wars. Biafra, Afghanistan, Rhodesia, the U.S. War Between the States—it's never a pretty picture, and all serious people know it. But because Washington in recent times has become a kind of holy city of concern over ethical matters large and small, the Contras' opponents in Congress have figured out that human-rights probity will fly as a litmus test for further funding.

In October 1986, Congress dedicated \$3 million of the \$100 million Contra aid package to promote human rights among the Contras. A highly respected group of Nicaraguan exiles, with expertise in monitoring human-rights violations by both the Somoza and the Sandinista regimes, was formed under the name of the Nicaraguan Association for Human Rights. Two of the association's officials served in the Sandinista government—a former ambassador to the U.N. in Geneva and a vice minister of justice. The State Department monitors the association's use of funds, but that's the extent of its involvement.

Based on field work by 90 observers, the report faults the Contras on specific allegations as well as general practices, such as the treatment of prisoners. The next step is to set up a liaison between the association's offices and military prosecutors organized by the different branches of the Nicaraguan resistance. No one is sure how cooperative the Contras will be in prosecuting individuals found guilty of violations, but so far the resistance has generally acquiesced to the various demands of the association.

In its report, the association lists the most important limitation of its work as lack of access to war zones. The reason the report

gives for this access problem is, "The Sandinista government continues to deny permission to conduct investigations inside Nicaragua." So perhaps now we have another litmus test of judgment: The Contras have made their dirty laundry available for inspection; the Sandinistas have not.

The Sandinista government has indeed provided greatly circumscribed cooperation with human-rights groups in the past. The Sandinistas have allowed observers into their criminal penitentiaries, for example, but no one has been allowed to look at their state security prisons, where many political prisoners languish.

Is it possible that the Sandinistas' conduct on the battlefield is less brutal and arbitrary than their conduct in detention centers or on the streets of Managua? Perhaps the person best suited to answer that question is the executive director of the new human-rights association that issued this week's Contra critique, Marta Patricia Baltodano.

Ms. Baltodano is a well-respected Nicaraguan lawyer who reported human-rights abuses during the Somoza dictatorship. But when reports of abuses continued after the revolution, Ms. Baltodano again braved personal threats and intimidation to head the Managua office of the Nicaraguan Permanent Commission on Human Rights. Its reports severely criticized the Sandinistas' behavior. Finally, after a particularly vile 1985 blackmail scheme orchestrated by the Sandinista secret police, Ms. Baltodano was forced into exile.

So what we're left with here is that one side keeps Ms. Baltodano from reporting on its human-rights abuses, while the other helps her report its defects. So little resistance to this condition of U.S. aid suggests a civility, and a recognition of the importance of that civility, that cannot be found in Managua.

A TRIBUTE TO THE NATIONAL TRUST FOR HISTORIC PRESERVATION

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. SLATTERY. Mr. Speaker, I would like to take this opportunity to pay tribute to the fine work of the National Trust for Historic Preservation. As the following letter indicates, when a group of northeast Kansans needed fast, accurate information on a matter of important local concern, the staff of the trust was able to respond in a timely and highly professional manner. The actions of the trust illustrate the many valuable functions that independent, nonprofit organizations perform in the service of the public interest, and I hope they serve as an inspiration to other organizations, both public and private, that are intended to serve the needs of all citizens.

The text of the letter follows:

THE LAWRENCE PRESERVATION

ALLIANCE,

Lawrence, KS, July 18, 1987.

Representative JIM SLATTERY,
Longworth House Office Building,
Washington, DC.

DEAR REPRESENTATIVE SLATTERY: Several days ago our organization needed information concerning our tax-exempt status and

our ability to lobby to influence legislation. We found that this is a specialized area and no lawyer in our city had the requisite expertise.

I called the regional office of the National Trust and spoke with Mary Humstone. I explained our situation and told her that we needed information that day if we were to be able to meet a deadline for submitting a historic preservation ordinance to our city commission.

Ms. Humstone phoned me back that afternoon with specific and precise information as to what our options were and how we should go about pursuing which ever direction we chose. By the end of the week I had received a reprint from the Trust's Preservation Law Reporter of an article dealing exactly with our situation.

In a period when people are quick to attack federal "bureaucracies" for one deficiency or another, I am very happy to report that the district office of National Trust was organized, responsive, and very competent. They provided us with a valuable service, and they did it efficiently. I hope that their sort of service will not go unnoticed or unappreciated.

Sincerely,

OLIVER FINNEY,
Chair, Revolving Fund Committee.

STATES FILLING CONSUMER PROTECTION VOID

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. FLORIO. Mr. Speaker, on July 23, the subcommittee I chair, the Commerce, Consumer Protection, and Competitiveness Subcommittee, conducted a hearing on the State role in consumer protection. Witnesses included State attorneys general and consumer protection administrators.

The hearing revealed that the States—both through the attorneys general and the consumer protection agencies—are taking an active role in protecting consumers. However, to some extent, this role has been forced on them by a retreating Federal Government with a blind ideological adherence to deregulation. While the active involvement of the States is to be commended, the interstate nature of many scams requires a nationwide approach which the Federal Government is often best able to pursue.

The following Associated Press article sums up the hearing well:

STATES TAKING UP FIGHT TO PROTECT CONSUMERS

WASHINGTON.—The battle to protect American consumers has fallen to the states as federal agencies pulled back in the name of deregulation, a panel of state attorneys general and consumer officials told Congress.

Federal laws and agencies remain, but their machinery has been dismantled as the Reagan administration sought to reduce its influence on the marketplace, Georgia consumer affairs administrator Barry W. Reid told the House Energy and Commerce consumer subcommittee.

"The deregulation philosophy did not take into account the public demand that

exists for governmental consumer protection," Reid said Thursday.

"Faced with little federal assistance, the citizenry has turned to the states and demanded consumer protection so vital to effective marketplace functioning," he said.

In the long run this will prove even more troublesome and costly to businesses as they are faced with 50 state requirements rather than a single set of federal regulations Reid said.

In the meantime, though, federal inaction has forced the states to become "reluctant soldiers" in the battle against nationwide consumer fraud, Minnesota Attorney General Hubert H. Humphrey III said.

"Everywhere we look the wrecking crews are at work—at the Federal Trade Commission, the Consumer Product Safety Commission, the Food and Drug Administration and every other agency which should be safeguarding the integrity of the marketplace," Humphrey said.

"It is as though the fire department has set a torch to the firehouse," he said.

Steven W. Hamm, director of the South Carolina department of consumer affairs, said, "There is a growing perception that deregulation in Washington means standing on the sidelines regardless of the problems that might develop."

Hamm said the voters that elected both the federal and state governments are also the people who file complaints with consumer affairs offices about advertising issues, credit problems, warranty disputes and mail order problems.

"Inaction by federal officials on legitimate issues of concern will not cause those problems to disappear," Hamm said.

But the filing of separate state lawsuits against people and companies engaged in consumer fraud "is costly and encourages such operators to jump state lines as the individual lawsuits are filed, thereby hopscotching across the country as they line their pockets with fraudulently obtained consumer money," Kansas Attorney General Robert H. Stephan said.

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY
OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter to the Honorable EDWARD P. BOLAND, chairman of the Committee on Appropriations' Subcommittee on HUD-Independent Agencies, which I received from Mr. Clark Graninger, Director of the VA Medical

Center at Albany, NY, which demonstrates how the VA employees feel about their medical computer system.

The letter follows:

GUILDERLAND, NY, MAY 15, 1987.
Hon. EDWARD P. BOLAND,
Chairman, Subcommittee on HUD-Independent Agencies, Washington, DC.

DEAR MR. BOLAND: I am gravely concerned about the future direction of data processing in the VA Medical Centers. If indeed VAMCs are not allowed to progress with the DHCP solution, the quality of services provided to our Veteran population could very well degenerate.

As the Director of a VA Medical Center, I have seen the DHCP as a working, necessary tool used at all levels of clinical care. Our physicians can obtain a complete patient profile including admission information, x-ray results, medication history, lab test results, and more, without leaving their primary care area and without having to connect to several separate systems. This definitely allows for faster, more complete treatment of our patients.

The DHCP has helped VA Medical Centers improve their patient length of stay by developing and presenting patient information in a timely and effective manner. At Albany VAMC, as have seen significant decreases in the average length of stay from FY 86 to FY 87. In Surgical Service, a 15% decrease has occurred; Medical Service has displayed a 14% decrease. If this important and appropriate trend is to continue, the clinical staff will need all of the flexibility and data integration provided through the DHCP system.

I strongly urge that interested committees of Congress not prohibit or alter, in any way, the planned DHCP procurement cycle or implementation schedule. If required to abandon DHCP in favor of an untried, unnamed and dissimilar system, I feel that the Medical Center operation would be adversely affected.

Under the DHCP approach, users of the system are heavily involved in how the individual modules are designed and implemented. I do not think that "off the shelf" software would allow this flexibility nor do I think that clinical staff should have to waste valuable time learning to use a replacement system when the DHCP is already handling their needs very effectively.

Your prompt attention to this letter and this important issue is greatly appreciated.

Sincerely,

CLARK C. GRANINGER,
Director, Albany
VA Medical Center.

IT IS NOT UN-AMERICAN TO SPEAK A LANGUAGE OTHER THAN ENGLISH

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. TORRES. Mr. Speaker, a friend of mine recently sent me an article that deserves special attention. Mr. Miguel Dominguez wrote an excellent opinion called "One Day at the Mall." His opinion appeared in the Mexican American Sun on June 4 and I want to share this article with my colleagues.

Mr. Dominguez' opinion serves to remind us that one of our Nation's strengths is the

unique diversity we can find in our languages, cultures, and ethnic groups. We must not allow ignorance to prevent us from using the language we feel comfortable speaking. Misguided efforts to pass English-only laws will only damage our Nation's unique history. I encourage my colleagues to read the opinion.

[From the Mexican American Sun, June 4, 1987]

ONE DAY AT THE MALL

(By Miguel Dominguez)

Recently, I was shopping at a popular mall. It was rather crowded so that I sought refuge in a fast food restaurant. I happened to sit next to a group of Chinese who were carrying on an animated conversation.

Almost at the end of my meal, I overheard another group of people behind me loudly and acrimoniously criticizing the Chinese because, as they said: "They might be talking about us" and "After all, this is America. They should be speaking English only."

I also do not speak Chinese but my reaction was very different. For a few moments my curiosity was aroused. I stopped munching and listened attentively to another language. The new sets of sounds and body movements and the novel range of tones fascinated me. At that moment I wished that I could speak Chinese.

East Los Angeles is my place of birth. There I grew up in a linguistic milieu in which I was urged to learn both Spanish and English very well. At the same time, my parents inculcated in me the ideas that a "persona educada" 1) was prepared to handle any exigency in two or more languages and 2) demonstrated civility and respect for all people whatever their cultural background.

My bilingual upbringing was conducive toward a humanistic outlook and it provided me with the opportunity to view distinct realities and describe them from two perspectives. This, in turn, has driven me to study four other languages—Latin, Portuguese, French and Italian, and to explore the world views of other culture.

In addition, my multilingual experience has shown me that cultures are certainly vastly different from each other but they are by no means superior or inferior.

The above may explain why I do not have a fear of the new and why I do not view the different as dangerous. If I were a paranoid xenophobe then I would be like the proverbial ostrich with its head in the multicultural sands of Los Angeles.

Neither the annoyed English speakers nor I knew with certainty what the Chinese were discussing at the mall restaurant. But my ignorance of Chinese did not make me feel insecure nor did it lead me to jump to the unreasonable conclusion that I was the topic. As a fellow bilingual, I know that I do not waste my fluency of two languages—a rarity in the United States—on idle gossip.

Their insecurity and arrogance reminds me of many people who consistently evince an apprehension of minorities who persist in maintaining their native language. Benjamin Franklin, feared that early German settlers would "germanize" Pennsylvania and endanger the development of an incipient nation. Apparently, old Ben wanted political democracy but not cultural democracy. (Even his idea of political democracy is tainted since blacks were still slaves, Indians were being unjustly deprived of their property, and women could not vote even after he died.)

Franklin's phobia is still well embedded and abetted so that some people continue to believe naively that the persistence of a language other than English is equal to a political threat to the United States. Even in the face of contradictory evidence, some people confuse ethnic linguistic loyalty with political disloyalty.

They forget that a few years ago, a majority of the voters of French-speaking Quebec opted to remain part of Canada. They forget that a large number of spies against the United States were citizens and monolingual speakers of English. Hey, who was Benedict Arnold?

They conveniently ignore that a disproportionately high number of bilingual Chicanos—and nationalized Mexicans who spoke limited English—died for this country in World War II, and in Korea and Vietnam.

Do you remember that a Chicano Marine, taken hostage with others in the U.S. embassy in Iran, defiantly scrawled "Long live the red, white, and blue" on a wall proclaiming his loyalty to this nation? I believe he wrote this proud message in Spanish!

Was his heroism futile? Did Chicanos and Mexico-born soldiers die in vain for democracy, self-determination, and the right to express one's thoughts freely? I doubt that they all believed that the First Amendment means "speak only English in the malls or any other place in this country."

MORE ON GLASNOST

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MICHEL. Mr. Speaker, in recent editions of the RECORD, I have been inserting press reports about a new publication, Glasnost, being published by Soviet dissidents. I recommend to our colleagues a recent article in the Wall Street Journal, dealing with the problems facing the dissidents. The article also contains an editorial statement by the publishers of Glasnost.

At this point I wish to insert in the RECORD, "Glasnost, the Magazine vs. Glasnost, the Policy" by Leonard R. Sussman, and "Declaration of the Editors" from Glasnost magazine, but published in the Wall Street Journal, Friday, July 31, 1987.

[From the Wall Street Journal, July 31, 1987]

GLASNOST, THE MAGAZINE VS. GLASNOST, THE POLICY

(By Leonard R. Sussman)

Glasnost is the name that a group of ex-political prisoners and dissident writers have aptly christened their new magazine, which was launched in Moscow earlier this month. The magazine's first issue has been allowed to circulate freely.

Glasnost is edited by Sergei Grigoryants, whose sunken eyes and general pallor suggest the strain of 10 years of harsh imprisonments, the last of which ended just five months ago. Since the 1960s, when Mr. Grigoryants became a human-rights activist at college, he has been imprisoned three times for writing or assisting in the distribution of *samizdat*, or unauthorized publications.

Like the publications that put him in jail in the past, Glasnost, which he is editing in his cramped bedroom in Moscow, is critical of the most vital economic and political

issues in the Soviet Union. In doing so it is testing the outer limits of Mikhail Gorbachev's policy of glasnost. The first issue includes a critical analysis of the Soviet-run peace conference in Moscow in June. The next issue will carry articles on the KGB, Jewish emigration and problems of the Soviet economy.

More extraordinary than Glasnost's contents, however, is the fact that the government has not condemned the magazine—or worse. Mr. Grigoryants sent the first issue to the Kremlin and formally sought permission to publish. So far he has received no reply, and the official attitude has been benignly bureaucratic. Aleksandr N. Yakovlev, second only to Mr. Gorbachev in the Politburo, sent Mr. Grigoryants's request to a deputy in the agitation and propaganda sector, who in turn passed it on to a press-control official. When Mr. Grigoryants invited seven officials to a subsequent press conference and discussion of Glasnost articles, a government spokesman replied that they'd be pleased to come but all would be "on vacation" that day. (Plainclothes police monitored attendance at an earlier press conference called by Mr. Grigoryants.)

Such game-playing is a dramatic advance over the nearly 70-year history of oppressive, sometimes fatal control of the press by the Central Committee of the Communist Party. Hundreds of prisoners of conscience remain incarcerated in prisons, labor camps or psychiatric hospitals because they demonstrated similar courage in expressing their views.

The publication of Glasnost and the fact that it hasn't been banned suggest that for the first time dissidents and Kremlin leaders share a stake in an advertised policy—glasnost—for quite different reasons and objectives. The word's double meaning may provide an explanation. It is commonly translated as "openness," but it also means "publicity"—getting a better press for official policy.

The latter meaning is necessary for Mr. Gorbachev's plans to restructure the failed economy at home and de-escalate East-West tensions abroad. Reform of the economy can happen only through more open analysis of failures in production and distribution. That will occur only if Soviets' paranoia about criticizing the government is reduced. Similarly, in order to ease East-West tensions, foreigners' fear of Soviet hyper secrecy need to be allayed. Greater openness must not only be perceived at home, but publicized abroad.

For Soviet dissidents, glasnost is a glimmer of hope. But as it is conceived in the Kremlin, glasnost certainly is not the road to Western-style democracy. Mr. Grigoryants and his colleagues know this, but they also realize that the policy nevertheless may be the key to some constructive change. The lead article in Glasnost, excerpts of which are reprinted nearby, said the magazine's aim is to help "stimulate the development of democracy" in the Soviet Union. The dissidents I interviewed in Moscow earlier this month, including Andrei Sakharov, said they regarded Mr. Gorbachev as an intelligent reformer who may, if given the chance, construct a more productive, less fearful society.

But this won't happen without considerable struggle. The editor of a major establishment newspaper that has published more than its share of breakthrough stories in the glasnost spirit confided: "We have enemies in New York, and enemies here."

To avoid new oppression and to continue publishing Glasnost, which they hope to

bring out three times a month, Mr. Grigoryants and his 20 to 30 colleagues need production supplies and equipment. The first weapon of the censors is denying printing supplies and equipment, and in the past, Soviet dissidents have been arrested for "offenses" such as owning a typewriter, which must be registered with the government. The first issue of Glasnost, which Mr. Grigoryants gave me, consisted of 55 carbon-copy pages typed on onionskin paper. Plans call for Glasnost to be published in Paris as well as Moscow. An English translation will be printed in New York.

Glasnost, the magazine, may well reflect the potential of glasnost, the policy. If the magazine is stifled either by clever intrigue or outright suppression, the policy will lose credibility in the West and among Soviet intellectuals. The support of both groups is a major factor in Mr. Gorbachev's reforms.

Asked whether he believes the government will grant permission to publish Glasnost, Mr. Grigoryants replied: "It's difficult to say. That depends on how good, how valuable and how serious the magazine becomes. It also depends on the reaction in the West. If the magazine is good, and is so perceived abroad, that will increase the chance of official recognition."

(Mr. Sussman is executive director of Freedom House, which monitors political rights world-wide. His son Mark Sussman, who writes and works in the theater, helped prepare this article. Both have just returned from the Soviet Union.)

DECLARATION OF THE EDITORS

At the present time the need for reform in all spheres of life of society—political, economic, social, and cultural—has become evident. Not so long ago only a few people spoke publicly about the need for change. Today everyone speaks about change, and the nation's leaders more insistently than others. . . .

It would seem that those people who had already spoken and written the truth about life in their society, despite the prohibitions and repressions, would find it easier to become part of this process. It would seem that all they had to do was to continue their cause, but it is not so simple, because they must take into consideration not only their actions, but also the counteractions. It is no secret that the policy of change encounters active resistance from those in the political and economic apparatus who have brought the nation, directly or indirectly, to this "pre-crisis situation." Until now these individuals have continued to occupy numerous key positions, and they actively stand in the way of restructuring. Their major argument is the fear of losing control over the nation. These forces should not be underestimated.

We are aware of the fact that one can impede the budding restructuring process not by actively resisting the reforms, but also by prompting actions on behalf of their opponents. It is not easy in today's complicated political situation either to support with confidence or to reject outright any evaluation. We are aware of the danger of acting, but inaction is also intolerable. . . .

The first steps are clear. We begin by publishing the Information Bulletin Glasnost and a larger publication, the Anthology Glasnost, which will contain articles and materials on important contemporary problems. Both publications are independent organs with the purpose of facilitating democratic consciousness in society. . . .

Both publications are intended as totally legitimate publications, registered with the appropriate state organizations. The Bulletin and the Anthology will highlight to the same degree aspects of the human-rights movement in the country as well as other socially significant problems, such as ecology, culture, economics, and social life, while bringing together in these publications a broad circle of highly qualified specialists.

The need for independent publications is dictated by the fact that the entire print media in our country are part of that very political, administrative, or economic apparatus which is far from irreproachable and has recently been subjected to open criticism. In our country the mass media are a part of this apparatus, and therefore do not perform the function of feedback between society and the leadership very well. . . .

There is another important aspect: all changes in our country are perceived with great interest by the entire world, and information provided by independent publications will be received with greater trust and will increase the degree of trust between nations.

And finally: A large part of the country's population is biased against official publications. Now these people will see that a publication which is checked by [the government] but is still independent is possible in our country. This will be serious evidence of the fact that democratization is beginning to take place and will enliven the spiritual climate of our society more than dozens and hundreds of declarations.

Today we have only one means of encouraging change in the nation—to embody these changes in the word and in the social consciousness, and to make them objective. Truth is in the domain of society, and what was a secret yesterday is being discussed today openly and everywhere. It is impossible to remain silent.

BRINGING HOME THE BENEFITS OF THE INFORMATION AGE

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. SLATTERY. Mr. Speaker, last Thursday, the Energy and Commerce Subcommittee on Telecommunications and Finance, on which I serve, held a hearing which focused upon the provision of information services to the public through the telecommunications network.

Opponents of a Bell Co. provision of information services say many of these enhanced products are already available to the public. The problem is not availability, but demand, they say. Consumers just don't want them or they already have them, their argument goes. And that's why there hasn't been tremendous growth in demand for services such as videotext, electronic mail, or home banking and shopping.

However, this argument is misleading and distorts the true condition of the information services market.

There's a missing link in the chain of demand—a link that the Bell companies could fill if freed from certain restrictions in the AT&T consent decree. Lifting the information service restriction would bring home the full benefits of the information age for the average customer. Here's why.

It's true that some information services are available today to the public—but so are robots and rockets. That doesn't mean they're practical. Nor does it mean they are affordable, offered efficiently and available to the average customer.

Take online data bases. A person can buy a personal computer, modem, software, and learn to use it. Then you open an account with an electronic service provider, pay the online costs, and limit yourself to the data bases or services available. So now you sort out the password, account number, billing information and you're in pretty good shape. Right?

Not really. Let's say you then want to start banking at home. You have to start the whole process over again—different account number, different software, different billing information and so on.

Clearly, the current system is costly, confusing and inefficient. And as a result, consumer demand for information services has not lived up to its potential in this country. Furthermore, many entrepreneurial vendors who would like to offer their services electronically have not done so because of the lack of a gateway to the public—a gateway which might be provided today for certain national vendors, but not to the local bank or drug store in Lawrence, KA. The telephone company could provide such a gateway.

As a result of the information services restriction, American technology has not kept pace with foreign countries, America has lost jobs, and the American consumer and entrepreneur have not experienced the full benefits of the information age. Many more information services are available to a much broader segment of the population in countries like France, Japan, and Canada.

Yet, would letting the Bell companies provide these services make the situation any better? It would, and here's why.

First, if the Bell companies offered these services, access would be simpler for consumers and providers. Telephone companies could provide a menu of all the information services available to its customers. And, local or national companies could offer these services—the more the better. Customers could get one ID number, one account, and one bill. The telephone company would serve as a two-way gateway—from the customers to the information service providers, and from the information service providers to any one with a telephone.

This gateway would serve as an intermediary system that connects diverse users with diverse information providers, a marketplace where the buyers and sellers of information can easily find each other. But the gateway is not just an access point or a place, it is also a guide. It guides the user through the session, allowing him/her to navigate among services and systems. Unlike information systems, which are usually a collection of services targeted toward a particular interest group, the gateway offers access to all available systems and all available services without the need for separate passwords and access codes. By aggregating the demand and the supply, the gateway provides the critical mass that is needed to establish a synergy between providers and users, causing both to grow.

Some have alleged the telephone company might discriminate among providers for access to the local network. That would be ludicrous. Failing to get as many services as possible on the network is like a merchant picking certain people out of the cashier's line and telling them he doesn't want their money.

Second, telephone companies could most likely offer these services at less cost to the consumer. Today, customers usually need a personal computer and a modem to have access to information services. Through the telephone network, consumers could access these services with little more than a telephone and an old black and white TV. Allowing the telephone companies to provide these services would make the services inexpensive enough so that, over time, millions of new customers could afford them.

Third, it would be more efficient, benefiting local ratepayers who use, or even don't use, these services. Much of the technology needed to provide these computer age enhancements exist in the local telephone network. A telephone company's central office switch is just a big computer. Allowing that computer to provide a host of new services spreads the network costs across more users. That will help keep all rates down—for information service customers and local telephone users.

Fourth, allowing the Bell companies to provide these services would offer new opportunities to local providers of these services and a wider array of services for local customers. Today, national information services providers have no incentive to offer many of the most wanted services—local banking, local shopping, local entertainment information. This local or regional emphasis that the Bell companies bring to the table is the missing link in today's information services equation. These telephone companies can serve as the bridge between entrepreneurs who want to bring these services to the public, but have found little interest among national electronic service providers, and customers, who want locally oriented information services.

Finally, data base oriented information services have been the thrust of my comments today. Yet there is a wide array of other services to benefit consumers that have not become widely available because of the information services restriction. Advanced custom calling features such as voice storage—a substitute to answering machines, distinctive ringing for predesignated calls, and notification of what number is calling you are a few examples. Utility monitoring and health monitoring are other examples.

In short, the MFJ information services restriction denies a vast array of benefits to the public. Bell Co. provision of these services would: reduce costs, simplify access, broaden the number of subscribers, and increase efficiency of the public telephone network.

We can moan and groan all we want about the trade deficit and how we're treated unfairly by foreign countries. Until we get our own house in order and lift outmoded restrictions that hamstring U.S. companies, America's new emphasis on competitiveness is pipe-dream, not a policy.

LIFE INSURER SOLVENCY
DEBATED

HON. JAMES J. FLORIO

OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. FLORIO. Mr. Speaker, many Members of Congress have been concerned about the impact of the liability insurance crisis. The Subcommittee on Commerce, Consumer Protection, and Competitiveness has held hearings on the crisis and the rising numbers of financially troubled property-casualty insurance companies. Recently, State insurance regulators have suggested to the subcommittee that problems of at least the same magnitude may be brewing in the life insurance industry. In a recent hearing, the subcommittee turned its attention to the subject of life insurance company solvency. Because of the importance of this matter, I am inserting in the RECORD an article from the Journal of Commerce summarizing our hearing.

[From the Journal of Commerce, July 30, 1987]

LIFE INSURERS DEBATE JUNK BOND
INVESTMENTS

(By Leah R. Young)

WASHINGTON.—Two insurance company executives led a heated debate over the wisdom of life insurance company investments in junk bonds before a House Commerce Subcommittee Wednesday.

John H. Tweedie, senior vice president and chief actuary of Metropolitan Life Insurance Co. rejected claims by smaller insurers and supporters of such high-interest, high-risk investments that reserves demanded by the National Association of Insurance Commissioners make these safe investments.

Mr. Tweedie told Rep. Howard Nielson, R-Utah, that the question is not whether high-yield bonds have been a major cause of past life insurance company insolvencies.

"The point is not what has happened but what might happen if there is a major economic down-turn."

Herbert Kurz, president of Presidential Life Corp. defended his company's heavy investment—now up to 35% to 40%—in junk bonds.

He said "high-yield bonds have not been a factor in the financial problems of those life insurance companies that have had troubles."

He pointed out that the Security Valuation Office of the National Association of Insurance Commissioners evaluates junk bonds and categorizes them according to risk, requiring reserves from 10% to 20%, depending on the risk.

The reserves, he argued, have created a fund "that is many times larger than any default rate in the long history of high yield bonds, which for the past four years have averaged 1.63%."

The New York superintendent of insurance, James P. Corcoran, disputed that. He said, "if the default rates remain stable, or improve, everyone will rejoice. If they worsen, however, a company with a heavy concentration of its assets in these obligations would come under extreme stress."

New York has just promulgated an insurance regulation limiting insurers doing busi-

ness in that state to having no more than 20% of assets invested in junk bonds.

Subcommittee Chairman James Florio, D-N.J., expressed concern that if there is an economic downturn and several life insurance companies are threatened the public might turn to Congress if state guaranty funds prove inadequate.

There has to be planning for a worst case scenario, Rep. Florio told Mr. Corcoran, a strong believer in state regulation of insurance. "The committee may need proposals we can take off the shelf if needed," Rep. Florio said.

Ralph Ingersoll II, representing the Alliance for Capital Access, companies that issue high-risk bonds, charged that banks are behind the push to regulate the percentage of insurance industry assets invested in such bonds.

Commercial banks, he insisted, want to restrict competition and access to capital markets.

He argued that high yield bonds are not new. "The only difference between a high-yield bond purchased by an insurance company through private placement ten years ago and most high yield bonds today is the development of an active, liquid public market for these securities."

That, he said, "makes these securities far safer than they have ever been before."

Mr. Tweedie countered that many junk bonds are used to take over companies and will be paid off with the target's own cash.

"The target company often emerges highly leveraged and very vulnerable to a downturn in its earnings and cash flow. We are therefore very concerned about default risk," he said.

Rep. Florio appeared susceptible to Mr. Tweedie's warning that "there is a very real danger that some insurers who invest heavily in junk bonds could find themselves insolvent, should there be an unexpected change in economic conditions."

Rep. Florio noted rising insolvencies in the property/casualty insurance business saying witnesses have told the subcommittee "that problems are developing in the life insurance industry that could be at least as damaging as the liability crisis" has been for property/casualty companies.

He also released a General Accounting Office study of property/casualty insurance company insolvencies. The congressional investigating agency found that from November 1969 through 1986 there were 140 insolvencies, with 42% happening since 1983.

GAO could not find any characteristics or trends in common when it analysed 49 of 95 property/casualty companies liquidated between 1977 and 1986.

PAYING TRIBUTE TO HON.
ROBERT N.C. NIX, SR.

SPEECH OF

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1987

Mr. WRIGHT. Mr. Speaker, I am pleased to join my many colleagues in remembering Robert N.C. Nix, and I want to thank the gentleman from Pennsylvania [Mr. FOGLETTA] for organizing this day of tribute for our late and dear friend and former colleague.

Bob Nix served in this House with great distinction for more than 20 years, and it is with

enormous sadness that we remark upon his passing. And yet, in remembering his record of achievements, we draw inspiration and guidance.

Bob Nix died on June 21, 1987, at the age of 88. He lived a full and eventful life. The first black to graduate from the University of Pennsylvania Law School, Bob Nix also was the first black elected to Congress from that State. Bob Nix throughout his life helped to lay significant stepping stones in the path toward greater equality.

I was a junior Member of this body, only in my second term, when Bob Nix won a special election to the House on May 20, 1958. His period of service overlapped with mine until his retirement in 1979. When Bob Nix retired, this House lost one of its finest Members. When he died recently, humanity more generally suffered a similar loss.

As cochairman from 1968 to 1978 of the United States-Mexico Interparliamentary Committee, Bob Nix devoted a great deal of his time and talent to building better understanding and mutual trust between our country and our neighbor to the south. I worked with him in this effort, and I can attest personally to his effectiveness. A longtime member of the House Foreign Affairs Committee, and chairman of the Subcommittee on International Development, Bob Nix established himself as a leading authority on the Middle East and South Africa.

The gentleman from Pennsylvania [Mr. FOGLETTA] eloquently remarked upon Bob Nix as a pioneer. He was that. He was a trailblazer in race relations and in foreign relations. He stood for good government, and as chairman of the House Post Office and Civil Service Committee Bob Nix played an active role in bringing about a better government to serve the needs of the American people.

The son of a former slave, Bob Nix served the Congress and fathered a son who became the chief justice of Pennsylvania's Supreme Court. Bob Nix leaves behind a legacy of dedicated public service that at once teaches and inspires us all.

May all of his loved ones draw some comfort in knowing of the high esteem in which he is held by his colleagues in the House. Bob Nix will be missed. He will not be forgotten.

THE OPENING OF THE PORTLAND
CENTER FOR THE PERFORMING ARTS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. AuCOIN. Mr. Speaker, August 28 marks the opening of the Portland Center for the Performing Arts, heralding a new era in world-class arts and entertainment facilities in Portland. I want to join the people of Portland in welcoming the crowning jewel in the Rose City's performing arts facilities.

Today's Performing Arts Center has its roots in the 1984 renovation of downtown's Paramount Theatre, an ornate movie and vaudeville palace which was built in 1928. Named the Arlene Schnitzer Concert Hall, this

facility is a major pioneering element in Portland's urban revitalization.

With the August opening of the state-of-the-art Intermediate Theatre and Delores Winningstad Showcase Theatre, the center will be complete.

The Winningstad Theatre, named for a generous prominent Portlander, will be home to drama, dinner theater, small opera, ballet, chamber music, recitals, lectures, free form and environmental theater, dances, and receptions.

The Intermediate Theatre, designed primarily for drama production, will be used for medium- and small-scale opera, dance, ballet, recitals, conferences, and films.

Opening activities planned for the center will celebrate 10 years of community work. The opening culminates a tremendous joint public-private effort to provide top quality performing space for local professional arts companies.

The opening festivities will include 2 weeks of free and low-cost events to spread enjoyment and appreciation of the arts to the widest possible audience. They highlight the dozen local performing arts companies who will be major tenants of the two new theaters. And, Portlanders eagerly await the expansion of Ashland's world-renowned Oregon Shakespearean Festival to the new center in 1988.

The people of Portland deserve much credit, as they contributed the largest single donation to construction of the center by approving a \$19 million bond measure in 1981.

The talented architects who created this fine facility designed it to complement historic buildings in the area. Portland's own Broome, Ogringdolph, O'Toole, Rudolf, Boles and Associates [BOORB/A] led an impressive design team that includes Barton Myers Associates of Toronto, ELS Design of Berkeley and Theater Projects of London.

The center is certain to win design accolades nationwide. It has already won a 1983 merit award from the Portland chapter of the American Institute of Architects; a 1984 honor award from Progressive Architecture magazine; and a 1986 Portland AIA merit award for the Main Street gates that separate the two buildings.

Visitors to the center will enjoy a stunning first glimpse of the building interior as they enter it from the Main Street Mall. A five-story rotunda opens to a sparkling art-glass skylight designed by New York artist James Carpenter.

Skilled artisans and workers from many unions put their hard work and care into the complex; attention to detail is evident in features throughout the facility, from the cherry wood paneling to dramatic glass exterior walls, from the brass-fronted elevators to three five-story glass-encased spiral staircases.

Completion of Portland's Performing Arts Center is proof the city's revitalized downtown, which is full of architectural and visual delights: the newly-redesigned pedestrian walkway along the Willamette River; the provocative Portland Building; MAX, the incredibly successful new light-rail system; and a host of unusual and colorful new and renovated downtown office buildings.

Mr. Speaker, I congratulate the city and the people of Portland for having the foresight to

make a commitment to this ambitious project. It is a tremendous addition to downtown Portland which Oregonians and visitors will enjoy for decades to come, and I invite my colleagues to visit Portland and the new Performing Arts Center.

COURT UPHOLDS INDEPENDENT COUNSEL

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. FRANK. Mr. Speaker, one of the most important questions before us this year is that of reenacting a statute which continues the Office of Independent Counsel, which is the name now given to the special prosecutors who are appointed when allegations of misconduct by high-ranking members of an administration must be investigated.

The Reagan administration has been campaigning against this statute, which has been in existence for nearly 10 years and has in my opinion, served the country well. This is the statute which was the result of the turmoil over the independence of the prosecution in the Watergate case. It is a statute which has made it possible for us to have the ongoing independent investigations of allegations of wrongdoing involving several members of this administration, and it is the statute which provided for the exoneration of members of both the Reagan and Carter administrations in previous years.

One of the arguments being made against this statute by the Justice Department is that it is unconstitutional. Recently, Chief Judge Aubrey Robinson of the U.S. District Court of the District of Columbia had occasion to rule on the constitutionality of the independent counsel statute in a matter involving the investigation being conducted by Lawrence Walsh. Judge Robinson concludes after a very thoughtful analysis that the statute is fully constitutional and is a reasonable choice by Congress for discharging this important function. Because of the importance of this cogent opinion, I include Judge Robinson's opinion at this point:

[U.S. District Court for the District of Columbia]

MEMORANDUM

This sealed matter presents for determination by the Court the question of whether the Independent Counsel provisions of the Ethics in Government Act of 1978, 28 U.S.C. § 591 *et seq.*, comport with the Constitution of the United States. After consideration of a number of submissions concerning this issue,¹ the Court holds that the statute is constitutional.

INTRODUCTION

The historical background of and need for the Independent Counsel provisions of the Act have been fully described in other decisions and shall not be repeated here. See, e.g., *In re Olson*, No. 86-1, D.C. Cir. Indep. Couns. Div., April 2, 1987, at 9-14. Con-

gress's intent in enacting the statute was clearly to create an office within the Executive Branch to investigate and prosecute matters in which the Department of Justice had a real or apparent conflict of interest. In short, [t]he statute is designed to ensure that violations of federal criminal law by high ranking government officials (particularly those who are of the same party as the administration in power) will be fairly and impartially investigated and prosecuted. *Id.* at 9.

While it is beyond question that Congress's motive for enacting the statute was laudatory, it is also axiomatic that this motive cannot validate an otherwise unconstitutional act of the legislature. For this reason, the Court has examined in turn each provision of the Ethics in Government Act which has been alleged to be unconstitutional.

THE POWERS OF THE SPECIAL DIVISION OF THE COURT OF APPEALS

The first contention relates to the provisions of 28 U.S.C. § 49 giving authority for the appointment of Independent Counsel to a division of the United States Court of Appeals for the District of Columbia Circuit. It is strenuously contended that this grants powers to that division which exceed the limitations imposed upon federal courts by Article III of the Constitution of the United States. The specific duties alleged to be unconstitutional are set forth at 28 U.S.C. § 593(b): Upon consideration of an application (from the Attorney General) under section 592(c) of this title, the division of the court shall appoint an appropriate independent counsel and shall define that independent counsel's prosecutorial jurisdiction.

In considering whether the Special Division has been vested with unconstitutional power, it must be recognized that the source of the court's authority is not only Article III but also the Appointments Clause of Article II. Article II, Section 2, Clause 2 of the Constitution expressly grants to Congress the authority to "vest the Appointment of such inferior Officers as they think proper, in the President alone, in the Courts of law, or in the heads of Departments."

The issue of whether the Independent Counsel is a superior or inferior officer for purposes of the Appointments Clause has been discussed and determined by other Courts with which this Court agrees that "the Independent Counsel is clearly an 'inferior officer'—he is appointed for a single task to serve for a temporary limited period." *In re Olson* at 17. See also *Banzhaf v. Smith*, 588 F. Supp. 1498 (D.D.C.), *vacated on other grounds*, 737 F.2d 1167 (D.C. Cir. 1984). Cf. *United States v. Eaton*, 169 U.S. 331, 343 (1898) ("Because the subordinate officer is charged with the performance of the duty of the superior for a limited time and under special and temporary conditions, he is not thereby transformed into the superior and permanent official.")² In addition

² The limitations on the Independent Counsel are numerous. Only a small set of officials are subject to the Independent Counsel provisions. (28 U.S.C. § 591(b) includes only the President, Vice President, high officials in the White House, Department of Justice and CIA, and ranking officers of the President's National Campaign Committee). The Independent Counsel has no authority outside the jurisdiction established by the Court. Pursuant to 28 U.S.C. § 596(a)(1), the independent counsel is subject to removal by the Attorney General for "good cause." The Office of the Independent Counsel terminates automatically when he or she notifies the Attorney General that the investigation is complete.

¹ Among the material considered by the Court are all of the briefs filed in *North v. Walsh*, C.A. No. 87-0457 (D.D.C. 1987) and the appellate briefs filed in *In re Sealed Case*, No. 87-5168 (D.C. Cir. 1987).

to the limitations placed on independent counsels, it is also relevant that they are not among the specifically mentioned "primary class (of officers who) require a nomination by the President and confirmation by the Senate." *United States v. Germaine*, 99 U.S. 508, 509-510 (1878). In fact, Congress indicated its own assessment that independent counsels are inferior officers when it authorized their appointment by a court of law.³ Finally, the Attorney General, by applying for the appointment by the Court of an independent counsel, also deemed the officer to be inferior as that word is used in Article II.

Although it is clear to the Court that independent counsels are inferior officers, this does not end the analysis of the proper role of the Special Division under the Appointments Clause. For as the Court wrote in *Banzhaf*, 588 F. Supp. at 1504: This constitutional provision obviously does not authorize the Congress to charge the courts indiscriminately and without reason with the responsibility for appointing officers in the Executive departments generally.

The Court in *Banzhaf* referred to the Supreme Court's decision in *Ex Parte Siebold*, 100 U.S. 371 (1880), for guidance in the determination of whether Congress appropriately vested the appointment power in the case of an independent counsel in a court of law. In *Siebold*, the Court made the following statements in the course of its decision involving a challenge to a statute vesting in the federal court the appointment of supervisors of congressional elections: But as the Constitution stands, the selection of the appointing power, as between the functionaries named, is a matter resting in the discretion of Congress.

The observation in the case of *Hennen*, to which reference is made (13 Pet. 258), that the appointing power in the clause referred to 'was no doubt intended to be exercised by the department of the government to which the official to be appointed most appropriately belonged,' was not intended to define the constitutional power of Congress in this regard. . . .

[T]he duty to appoint inferior officers, when required thereto by law, is a constitutional duty of the courts; and in the present case there is no such incongruity in the duty required as to excuse the courts from its performance, or to render their acts void. *Id.* at 98.

Given the previously mentioned intent of the Congress in passing the Ethics in Gov-

ernment Act, it was clearly not incongruous for it to utilize the authority expressly stated in the Appointments Clause to allow an impartial court of law to select, at the application of the Attorney General,⁴ an individual to investigate and potentially prosecute criminal activity within the Executive Branch. In fact, "[n]either the President, nor any head of department, could have been equally competent to the task." *Siebold*, 100 U.S. 398. Although the Special Division appoints independent counsels and defines their jurisdiction, it plays no role in their investigations and performs no acts with regard to any prosecutions that may result from these investigations. For this reason, the Act clearly does not "place incompatible duties upon (any) Court. See *Nader v. Bork*, 366 F. Supp. 104, 109 (D.D.C. 1973). Under the circumstances in which independent counsels operate, their appointment by the Judicial Branch is warranted and constitutional in the same manner as the courts' appointment of interim United States Attorneys (See, *United States v. Solomon*, 216 F. Supp. 835 (S.D.N.Y. 1963)) and attorneys to initiative criminal contempt proceedings (See, *Young v. United States ex rel. Vuitton et Fils*, No. 85-1329 (U.S. May 26, 1987); *Musidor, B.V. v. Great American Screen Design, Ltd.*, 658 F.2d 60 (2d Cir. 1981); *Matter of Green*, 568 F.2d 1247 (8th Cir. 1978)). See also the inter-branch appointments upheld in *Rice v. Ames*, 180 U.S. 371 (1901); *Go-Bart Importing Co. v. United States*, 282 U.S. 344 (1931); *Hobson v. Hansen*, 265 F. Supp. 902 (D.D.C. 1967). The clear and precise words of the Appointments Clause validate all of these appointments.⁵

SEPARATION OF POWERS

A major theme running through the argument that the Independent Counsel provisions of the Ethics in Government Act are unconstitutional is the contention that the whole scheme represented by the Act violates separation of powers principles. This argument is advanced particularly with regard to the removal provisions of the Act, and the absence of ongoing Presidential supervision over the exercise of the Independent Counsel's discretion.

These issues are appropriately examined in a manner accepted by the Supreme Court. As the Court wrote in *Banzhaf v.*

³ That the Attorney General must first apply for the appointment of an Independent Counsel before the Court may act is a vital limitation on the Court's power under § 593(b). If the Attorney General decides to apply for the appointment of an independent counsel, his decision is not reviewable by any court. 28 U.S.C. § 592(f). Similarly, if the Attorney General determines that there are no reasonable grounds to believe that further investigation or prosecution is warranted, that decision is also unreviewable. See, *Banzhaf v. Smith*, 737 F.2d 1167, 1169-70 (D.C. Cir. 1984); *accord Dellums v. Smith*, 797 F.2d 817, 823 (9th Cir. 1986). In fact, the Court may not even extend the jurisdiction of the Independent Counsel if the Attorney General has denied such request. *In re Olson*, at 22-25.

⁴ That the Special Division also defines the jurisdiction of independent counsels does not invalidate the Ethics in Government Act. As stated above, the Court may constitutionally appoint an independent counsel under Article II because this appointment meets the incongruity test set forth by the Supreme Court. The power of the Court to define the independent counsels' jurisdiction is a necessary and proper incident of this appointment power. Independent counsels must be appointed to specific and limited tasks. To avoid the same incongruity that caused Congress to vest the appointment power in the Special Court, the Court was also given the authority to define the independent counsels' jurisdiction. The Constitution does not bar this action of the Legislature.

Smith, 588 F. Supp. at 1507. The Supreme Court has admonished the lower courts that, in matters involving the separation of powers, a pragmatic, flexible approach, must control (citing *Nixon v. Administrator of General Services*, 433 U.S. 425 at 442 (1973)) and that separation of powers questions must be resolved "according to common sense and the inherent necessities of the governmental coordination" (quoting *Buckley v. Valeo*, 424 U.S. 1, 122 (1976) (quoting *Hampton & Co. v. United States*, 276 U.S. 394, 406 (1928))).

REMOVAL PROVISION

Pursuant to 28 U.S.C. § 596(a)(1): A(n) independent counsel appointed under this chapter may be removed from office, other than by impeachment and conviction, only by the personal action of the Attorney General and only for good cause, physical disability, mental incapacity, or any other condition that substantially impairs the performance of such independent counsel's duties. Although this provision of the act clearly places the authority to remove an independent counsel exclusively in the Attorney General, it is argued that the limitations placed on the Executive Branch's power of removal contravene the principle of separation of powers. This argument is advanced as well in relation to the authority of the Special Division under § 596(a)(3) which provides: A(n) independent counsel so removed may obtain judicial review of the removal in a civil action commenced before the division of the court and, if such removal was based on error of law or fact, may obtain reinstatement or other appropriate relief.

Supreme Court precedent suggests that in situations such as this one, where an inferior officer requires a certain degree of independence from the President for the proper execution of his assigned functions, the Congress may insulate him or her from the threat of termination at will by the Executive. First, the Supreme Court accepted even more stringent limitations than found here on the President's removal power in the case of the Watergate Special Prosecutor. See, *United States v. Nixon*, 418 U.S. 683 (1973). Additionally, both *Humphrey's Executor v. United States*, 295 U.S. 602 (1935) and *Wiener v. United States*, 357 U.S. 349 (1958) also upheld congressional authority to impose limitations on the removal power of the President. The Court, in deciding the latter two cases, looked to the nature of the function vested in the official by the Legislature to see whether independence from the Executive was a necessary characteristic of his position. The same analysis when applied here demands the conclusion that independent counsels must not be subject to removal at will by the President. For the reasons previously stated, it is beyond peradventure that "the very purpose of the office requires a degree of independence from Presidential control." *North v. Walsh*, C.A. Nos. 87-457 and 87-626, slip op. at 15, n. 9 (D.D.C. Mar. 12, 1987). The removal provision, therefore, does not violate the principle of separation of powers.⁶

⁶ It is significant that, although the basis of the foregoing argument is the violation of the principle of separation of powers, the Congress, in enacting the Ethics in Government Act, did not "aggrandize itself at the expense of the other two branches." *Buckley v. Valeo*, 424 U.S. at 129 (1976). This is an important distinction between this matter and cases such as *INS v. Chadha*, 462 U.S. 919 (1982) and *Bowsher v. Synar*, 106 S. Ct. 3181 (1986). Similarly, the Judicial Branch has no opportunity to aggrandize itself under the Act.

ed, 28 U.S.C. § 596(b)(1), or earlier if the Division on its own motion or that of the Attorney General determines that the investigation is substantially completed, 28 U.S.C. § 596(b)(2).

⁵ It is also noteworthy that the Watergate Special Prosecutor was not confirmed by the Senate, although his authority was virtually identical to the authority vested in independent counsels pursuant to the Ethics in Government Act.

Once it is determined that the Independent Counsel is an inferior officer, it is clear that the attorneys on his staff are not officers at all but employees of the United States. (Again, the attorneys employed by the Watergate Special Prosecutor were not appointed under the Appointments Clause.) See *Buckley v. Valeo*, 424 U.S. 1, 126 n. 162 (1976) (citing *Auffmordt v. Hedden*, 137 U.S. 310, 327 (1890); *United States v. Germaine*, 99 U.S. 508 (1879)) ("Employees are lesser functionaries subordinate to officers of the United States"). Therefore, the fact that Associate Independent Counsel were appointed by the Independent Counsel and not the Special Court does not invalidate their appointments or the Act.

The Congress's limits on the Attorney General's authority to remove an independent counsel are also valid for another reason. In *United States v. Perkins*, 116 U.S. 485 (1886), the Court upheld the power of Congress to place limitations on the Secretary of the Navy's authority to dismiss naval cadets who were inferior officers appointed by the Secretary. The Court wrote: We have no doubt that when Congress, by law, vests the appointment of inferior officers in the heads of Departments it may limit and restrict the power of removal as it deems best for the public interest. The constitutional authority in Congress to thus vest the appointment implies authority to limit, restrict, and regulate the removal by such laws as Congress may enact in relation to officers so appointed. *Id.* at 485. Here, because Congress validly vested the appointment of independent counsels in the court of law under Article II, it also validly limited the circumstances under which independent counsels may be removed.

ABSENCE OF PRESIDENTIAL SUPERVISION

As has previously been noted, independent counsels operate within a limited and narrowly defined class of cases. With regard to these cases, however, they are given a large degree of independence from the Attorney General and the President.

Supreme Court precedent as well as "common sense and the inherent necessities of the governmental coordination" suggest strongly that the authority of independent counsels does not violate the separation of powers principle. In *United States v. Nixon*, 418 U.S. 683 (1973), the Court recognized and accepted that "the Attorney General has delegated the authority to represent the United States in these particular matters to a Special Prosecutor with unique authority and tenure." *Id.* at 694. The Court knew that this authority included "plenary authority to control the course of investigation and litigation related to" the Watergate matter. *Id.* at 694, n. 8 (citing 38 Fed. Reg. 30739, as amended by 38 Fed. Reg. 32805).

Although the Watergate Special Prosecutor was appointed by a regulation promulgated by the Attorney General, the Court's acceptance of the constitutionality of an independent prosecutor is equally applicable here. In both cases, inferior officers were freed from daily supervision by the Executive so that they could best perform their duties and thereby satisfy congressional intent. See also, *Kendall v. United States*, 37 U.S. (12 Pet.) 524 (1837); *Humphrey's Executor*, 295 U.S. 349 (1935); *Wiener v. United States*, 357 U.S. 349 (1957). Here, as in the above-cited cases, the Independent Counsel's power comports with the Constitution.

CONCLUSION

The Independent Counsel provisions of the Ethics in Government Act represent Congress's measured response to the recurrent question of how to enforce the laws of the United States when they are violated by high government officials. Congress chose to use its authority, well settled under the Constitution and Supreme Court precedent, to create a mechanism to guarantee the integrity and independence of criminal investigations in matters where the Department of Justice has real or apparent conflicts of interest. By carefully assigning the functions necessary for the accomplishment of its purpose, it has constitutionally addressed an important national need. For the United States, the Act represents a landmark effort

to instill public confidence in the fair and ethical behavior of public officials.

AUBREY E. ROBINSON, Jr.,
Chief Judge.

Date: July 20, 1987.

WHY H.R. 2470'S PROVISIONS TO PREVENT SPOUSAL IMPOVERISHMENT ARE NEEDED

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. STARK. Mr. Speaker, one of the most important but untalked about parts of the Medicare Catastrophic Protection Act that the House just passed is the section designed to prevent spousal impoverishment when one spouse needs extraordinary long term chronic medical care, thus placing incredible financial burdens on the healthy spouse.

The Senate bill does not have any provisions in the area of spousal impoverishment. The President has threatened to veto our bill.

If anyone ever, ever had any questions on why such legislation is necessary, I hope they will read the following letter I received from one of my constituents in San Leandro, CA.

Mr. Speaker, I join with my constituent in saying, "I didn't think it was supposed to end this way. What do you think?"

The letter follows:

SAN LEANDRO, CA,

June 18, 1987.

DEAR SIR: I would like to make you aware of what is happening to us. I will be as brief as possible but it is a long story spanning 50 years.

My husband Edward and I were married in 1937. We are hoping to "celebrate" our 50th wedding anniversary September 14, 1987. We have worked all our lives. Raised two fine children, have six grandchildren and two great-grandchildren. We have always been thrifty, saved for retirement, used coupons, cut corners, got our first new car in 1980 and have never relied on public assistance at any time.

However, our "Golden Anniversary" is clouded with illness, worry and fear. At age 58 my husband was told he had Parkinsons Disease; a progressive disease of the central nervous system that results in degeneration of body functions. There is no cure.

Six years ago he suffered serious trauma following oral surgery. He aspirated some blood and went into a total collapse and pneumonia. For weeks he hovered between life and death, totally helpless. We were finally able to have him transferred into St. Rose Rehabilitation center from Humana Hospital, San Leandro. At St. Rose he was taught to walk again, feed himself and dress himself. At home after 3 weeks he gradually improved but his care, the house and yard were taking a toll on my strength, so we sold our home and with the help of our family moved to [a] Mobile Home Park in San Leandro.

At first this seemed to be the answer to our prayers but we had been here less than a year when he fell with a spontaneous fracture of his hip requiring a total hip replacement. So it was back to square one. Hospitals, physical therapy and once again inch by inch trying to regain what was lost. I finally brought him home again on our 47th wedding anniversary.

Ed's Parkinsons symptoms had begun gradually in the beginning, a slight tremor of his right hand. Hours, days, and many tears trying to get him to see a doctor. When he finally did, the doctor seemed reluctant to deliver a diagnosis laced with hopeless words like "chronic", "incurable", and "degenerative". "We can treat it medically" the doctor told me, "but it will progress." I just wanted to go home.

Parkinsons shows itself in fits of depression, hallucinations, changing moods, unpredictability and sadness. In a mixture of sadness, loneliness and confusion I had to watch as our life style changed, our savings kept getting smaller, all the fun things that had been a part of our lives were no longer possible. His fine mind could no longer figure out the simplest solutions. We tried to make the best of it. Some of my worst times came when he would fall to the floor and I had to call for help to get him up. I cared for him through 5 years of the worst of this as I could not face placing him in a convalescent hospital, but on July 21, 1986 he developed a chemical imbalance due partly from the disease and partly from the medication for the disease. He went completely out of control with hallucinations. For 5 days he didn't even know me. He lost all touch with reality.

On the advice of his neurologist and internist, he was transferred to Parkland Convalescent Hospital in San Leandro. They say that I will never be able to bring him home. He still hallucinates, is confused, can't walk and sometimes incontinent. His care at Parkland is \$75 per day. Medicare paid 5 days only. This does not include doctor visits or drugs. At this time we are faced with using all our savings. How can he be classed as custodial care when both doctors agree he can't be cared for at home?

At this time he is 72 and I am 68. I have been told my only hope of surviving this without being wiped out financially is to divorce him. I didn't think it was supposed to end this way. What do you think?

Sincerely,

Mrs. I.E.P.

POST TRAUMATIC STRESS DISORDER

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mrs. KENNELLY. Mr. Speaker, the Stamford Advocate recently published a compelling account of the tragedy of post-traumatic stress disorder [PTSD]. The disorder was first diagnosed in veterans of the Vietnam war. Veterans of more recent undeclared wars in Grenada and Beirut also suffer from its haunting effects. The disorder occurs in individuals who have survived a deeply traumatic event. Its symptoms include recurring nightmares, broken relationships and often suicidal depression. There is no cure, only treatment. But treatment is not available to all who need it. Veterans of recent undeclared wars are often turned away from the 15 facilities designed to treat Vietnam veterans suffering from PTSD. Many hospitals will not admit recent victims of this disorder because of the length of treatment required and the expense involved. I applaud the Advocate for bringing this tragic sit-

uation to light and recommend the following article for my colleagues' consideration.

[From the Stamford (CT) Advocate]

FOR MANY VETERANS THE BATTLE GOES ON

On Oct. 23, 1986, Edward Maynard left work, crossed 31st Street in Manhattan and took a seat at the bar at Cedars of Lebanon restaurant.

Anniversaries are difficult for him.

In the 3½ years since he left Beirut after the tragic October 1983 bombing that killed 269 servicemen, the former Navy corpsman has held more than 10 jobs, seen two relationships end and has been in and out of hospitals. Once his rage was so great he had to be strapped to a table.

On that night last fall he felt a pressure behind his eyeballs—images of red and black, of blood and charred flesh—that divided his brain in half. Screams of agony and the laughter of old friends, now dead, echoed in his ears. A potent concoction of vodka and Triple Sec would numb the pain. He raised his glass.

In a dimly lit corner of the bar he gathered his friends around him and took from his pocket a folded piece of paper.

"In memory to the sailors and Marines who died in the search for peace and for all of us that returned," he read. "The memories and the fears will always be forever etched in the back of our minds. Beirut used to be called the Jewel of the Mediterranean. Now it is just the Jewel of Death. For those of us that returned, we have our jobs and our families to live with, and like our Vietnam brethren, we too live in a silent hell, Beirut, Lebanon. October 23, 1983. And I guess that's why they call it the blues."

Like thousands of veterans, Maynard, a 29-year-old draftsman from Elizabeth, N.J., suffers from a psychological disorder known as Post Traumatic Stress Disorder. It occurs when an individual survives a traumatic event outside the range of normal human experiences.

The victims know who they are. Often their families, their friends, their doctors do not know how they suffer.

They sit in restaurants, their backs to the wall, watching the door. When walking down the street at night they stare at the sidewalk, knowing that if someone is stalking them they will spot a shadow.

They sleep with a machete under the bed and are fond of taking risks. They create challenges, look for obstacles, are impatient and at times irritating. They are survivalists to an extreme and, as a result, often choose their own path to self-destruction. That is the nature of this illness, creating tiny crises, just to prove they can cope.

Post Traumatic Stress Disorder was first diagnosed in veterans of the Vietnam War, and recent evidence shows new groups of veterans, including those who served in Lebanon and Grenada, are at risk.

Today, six years after a definitive diagnosis was formally recognized, the Veterans Administration has no nationwide plan to provide care for all veterans suffering from Post Traumatic Stress Disorder.

Federal law mandates that the veterans of World War II, Korea and Vietnam receive the proper psychological counseling for post traumatic stress and hospitalization, if necessary. But the VA has not developed a nationwide plan for identifying and educating veterans of "undeclared wars" about the disorder or for treatment of thousands of Vietnam veterans with Post Traumatic Stress Disorder, other than in small specialized stress units at 15 veterans hospitals around the country.

Veterans of combat in undeclared wars such as Grenada and Lebanon also are prohibited by law from seeking out-patient counseling at one of the 189 storefront centers for Vietnam veterans around the country. (There are three in Connecticut, at New Haven, Hartford and Norwich.) These centers make referrals and provide the mechanism for bringing Vietnam veterans into the health care system.

If veterans of undeclared wars check into the hospitals by themselves, there are enormous obstacles to treatment. In some cases, they are turned away or are not eligible for admission to one of those 15 units designed to treat Vietnam veterans suffering from Post Traumatic Stress Disorder.

As a result, the care and commitment varies from hospital to hospital, and Vietnam veterans with Post Traumatic Stress Disorder who are eligible for treatment are often forced to travel long distances to get the specialized care they need.

In the words of one doctor, "The Grenada and Beirut vets are just another group of unrecognized vets trying to get into the treatment system."

"Treatment for these new veterans has not been authorized, but we will try to find informal ways of seeing these people" said Dr. Jack Smith, director of the Center for Stress Recovery, a specialized stress disorder unit in Brecksville, Ohio. "Most others (stress units) won't bother."

None of the 15 special stress units is in Connecticut; the nearest units are at VA hospitals in Montrose, N.Y., and Northampton, Mass.

It is unlikely that a Connecticut veteran suffering from post traumatic stress would be referred to an out-of-state special unit, according to Dr. Earl Giller, chief of psychology at West Haven VA Medical Center. Dr. Giller and VA specialists said a variety of factors, including the lack of a system-wide policy for referring patients between veterans hospitals in different states, stand in the way. Travel expenses and the physical separation from the support of friends and family also discourage many veterans from entering programs far from home.

"It's only in the specialized treatment centers that you have the special resources," he said. "Many of the special centers have long waiting lists. If somebody says to me that they are interested in a specialized program, I would call up the VA hospital that I was thinking of, and, while I couldn't get a guaranteed admission, I could send the other hospital information if that person gets accepted sometime later."

Doctors disagree on the prevalence of Post Traumatic Stress Disorder, but many say there are more than 500,000 Vietnam veterans who suffer from the disorder. More than 5,000 servicemen served in the Grenada conflict, and close to 10,000 served in Beirut, but the government provides no official estimate of how many of them could have developed the disorder. A nation-wide study by a team of specialists authorized by Congress and completed in 1981 concluded that 40 to 80 percent of those who experience heavy combat will develop some form of Post Traumatic Stress Disorder.

In fiscal year 1985 (the last year for which records are available), 4,838 patients were discharged from veterans hospitals with a diagnosis of Post Traumatic Stress Disorder, according to VA records. But that number does not reflect stress disorder cases that go unrecognized because outward manifestations such as drug abuse and alcoholism were identified as the primary disorder. Nor

does that number include stress disorder patients treated in general psychiatric units, said Dr. John Lipkin, former Chief of Medicine and Surgery for the VA in Washington, D.C., and current chief of staff at the Perry Point (Md.) VA Hospital. He estimated that about 9,000 incidents of the disorder were recorded nationwide last year.

According to the VA, since 1979 approximately 800,000 veterans have visited federal veteran centers, seeking psychological counseling, looking for answers to readjustment problems, or simply in need of assistance with the paperwork for obtaining benefits. VA counselors said approximately 500,000 Vietnam veterans still need treatment.

The disorder cannot be cured, only treated. One Vietnam veteran said that even 17 years later he has violent nightmares and never sleeps more than four hours a night. A nurse decorated for his service in Vietnam needs medication four times a day; without it, he goes into a suicidal depression. Certain smells—the odor of burning garbage, stagnant water, the pungent odor of certain animals—trigger a flashback.

The number of Vietnam veterans seeking treatment has not declined, said Dr. Terrence Keane, Chief of Psychology at the VA hospital in Boston.

"The sad part is that the patients are changing," he said. "In early days, in 1979 and 1980, the patients were much more amenable to treatment. Today, they've been living with these stresses—and they are chronic stresses. They have developed more difficult lifestyles to change, breaking more and more relationships, losing more jobs. It's becoming more and more difficult to correct."

Dr. Giller of the West Haven VA hospital says of the patients he sees: "To say that someone has PTSD usually means that he needs additional medical intervention. We are just now recognizing that psycho-social stress has such an impact—that it changes the person's biology. It's equivalent to coming back with an arm or leg missing."

The effects of the disorder are long-lasting. And the most frightening part, its victims say, is that one can feel himself slowly losing control. One tries to fight the feeling. He closes his eyes to hide from the horrific images—and that's when reality seems to slip away.

"Sometimes I'll be staring at a blank wall, and all of a sudden I'll see the building, the airport, the smoke," remembered Edward Maynard.

The heat and bright light of a summer's day have reminded him of Beirut. Many times when he's been driving in a car the vibration has reminded him of the movement of the ship, and suddenly "checks out—just fading in and out" of reality. He says it's as if there are eyes in the back of his head, always watching, never blinking.

Once he sat in a corner for three hours, shaking and crying. He wouldn't let anyone near him. Finally his girlfriend got close enough and slipped a tranquilizer into his mouth. Then he fell to the floor, exhausted.

He remembers one Friday night in June 1986, after the death of a close friend, he "checked out," as he calls it. His recollections are sketchy. He remembers his landlady running away from him in fear as he punched imaginary enemies and screamed for medics. He was finally taken to Elizabeth General Hospital in Elizabeth, N.J., where he was put in restraints.

"I tried to explain to the people at Elizabeth General that this is not the right way to handle this," he said. "Don't tie me up. I

will stay here. I will stay calm. They could not do it. They just had to tie me down to a table, and I had to get out of it, and I got out of three of the four restraints."

An ambulance from the VA Medical Center in East Orange, N.J., came to pick him up the next day. By noontime on Saturday he was discharged.

"The doctor said, 'Do you think you'll be OK?'" Maynard remembered. "And she let me go."

Because of the many complexities of the VA system, a young veteran who walks into a hospital finds that he must meet a number of criteria before receiving treatment, experts say.

One of the problems, doctors say, is that there are simply not enough in-patient facilities that provide the specialized and expert care needed for veterans suffering from post traumatic stress.

"The Southwest is completely devoid of resources," said Dr. Gary Palmer, director of a 31-bed unit at the VA hospital in Tomah, Wis., where the waiting period for admittance is six weeks. "Just one in-patient unit covers Texas, Oklahoma, New Mexico. The Topeka, Kan., facility covers all around, even up north till South Dakota."

Getting treatment—or even a preliminary diagnosis—is often limited by the VA's system of setting priorities based on whether an ailment was a direct result of a veteran's military service.

A veteran whose illness is deemed service-connected goes "to the front of the line" receiving priority over a veteran with a problem not considered service-connected.

But service-connection is difficult to establish when the onset of symptoms often occurs more than a year after the person is discharged from the service. The one-year period is used by the VA as the cutoff for establishing service-connection for all other conditions.

When most veterans experience problems that are later diagnosed as Post Traumatic Stress Disorder and go to a VA hospital, they face delays in treatment because the VA has not determined a service-connected problem exists.

Also, because these men served in "undeclared wars" that possibly involved sensitive or secret military actions, many of their records are difficult to obtain or are still classified. Without service-connected status or proper documentation of the patient's military history, doctors are reluctant to begin treatment.

In attempts to shelter themselves from the brutal effects of the disorder, many veterans turn to drinking and drugs. But doctors cannot treat the disorder if a patient is under the influence of drugs or alcohol. And most veterans hospitals do not provide a specific alcohol or drug rehabilitation program. Patients are sent elsewhere for treatment and often do not return to the veterans hospital for psychological treatment.

The Disabled American Veterans, the Washington, D.C.-based organization that helps veterans in their compensation claims to the VA and lobbies for veterans' programs, has received reports from across the country of younger veterans being turned away or forced to wait as long as six months for a bed in a special stress treatment unit.

"Unless we press the hospital—make the phone calls, force the hand of the administrator—these men will not get service," said Thomas Keller, assistant national director of communications for the Disabled American Veterans. "Some hospital directors are looking to save money by not treating people."

In many cases, he added, veterans of Grenada or Lebanon must seek assistance from their congressmen—or from a service officer from his organization—to apply the pressure needed to get an appointment for an interview at veterans' hospitals.

Because of the decentralized nature of VA medical centers, hospital administrators can choose whether to open stress treatment units to veterans of Grenada and Lebanon. Hospital directors also can choose whether to expand or close units.

In some instances, individual doctors are very committed to treating Post Traumatic Stress Disorder, while the chief of psychology or psychiatry at a VA hospital is unsupportive, eliminating beds in the unit or cutting back on staff.

"There's this attitude that if we don't look at it, we won't have to deal with it," said Dr. Smith, head of the Brecksville, Ohio, stress center.

Dr. Palmer, who runs the stress unit in Wisconsin, said the key to success of an inpatient program depends on the hospital director.

"The past two directors we had were handmaidens of the (Veterans) administration," he said. "The problem of aging veterans and increasing geriatrics is much more prevalent in their minds. Some hospital administrators are Vietnam vets that didn't get PTSD, so they think that nobody gets it."

Officials of veterans service organizations say the VA has failed to target veterans from Grenada and Lebanon who run the risk of developing Post Traumatic Stress Disorder.

Because their numbers are relatively small, it is easy to forget about these younger veterans—easy to think that the problem will just disappear.

"For the 23- or 24-year-old Marine, where is his forum? We have a whole new population that's suffering," said Shad Meshad, a Vietnam veteran and founder of the Vietnam Veteran Outreach Program.

"That type of undeclared war is very analogous to what happened in Vietnam," said Meshad, who runs a private counseling service for veterans in Los Angeles.

"I remember after the boys from Lebanon came home—it was a few months after the tragedy with the Marines. I got an anonymous call from a guy in the military to help six or seven guys who were still out at the airport. . . . They were suffering. They were afraid to talk to anybody in the military. They didn't want to come off as cry babies."

Maynard remembers how in the weeks before the car bomb attack that killed 269 soldiers, sailors and Marines at their headquarters, the Navy showed war movies every night on the ship. They had practiced mass casualty drills practically every day. He was wound tight.

And on Oct. 23, 1983, after the bombing, the quarterdeck was set up as an emergency medical station and a morgue. He worked for 48 hours, dazed, shocked, exhausted. But on he worked like an automaton.

"They tried after the bombing to find out if anyone was going to develop problems, or if they were having problems," he recalled. "Uncle Sam, D.C., the Pentagon—I don't know who they were, but they talked to us on our way back over, crossing the Atlantic. They pulled in people by division and were asking in a group if anyone was experiencing problems, depression, nightmares, sleeplessness. They were looking for PTSD. Because after the experience we went through—helping the wounded, looking for

the bodies under the rubble—it would be there.

"Granted, they tried. But they didn't go about it the right way. You're asking guys in a group if you're having any problems. Who in their right mind is going to say yes? You go back to the standard macho image: 'Hey, we're men of the sea.'"

Dr. Jim Goodwin, chief of psychology services at Fitzsimons Army Hospital in Denver, described how he counseled a small group of U.S. Army Rangers who participated in the Grenada invasion on Oct. 27, 1983. He was part of a team of psychologists and researchers from Walter Reed Army Hospital in Washington assigned to study the effects of combat on these men.

It was only a year after the invasion that news organizations discovered that the Grenada operation, called a military victory by the Reagan administration, was marred by breakdowns in troop discipline and sometimes fatal technical errors. According to published reports, not only did nearly half of the 20 U.S. soldiers killed in Grenada die in accidents and mishaps, but more than one fourth of the 88 soldiers who were described as seriously wounded sustained their injuries as a result of something other than hostile fire.

Dr. Goodwin said after examining the troops he saw varying degrees of nervousness, anxiety, survivor guilt, exaggerated startle responses, painful recollections—symptoms of the early stages of Post Traumatic Stress Disorder.

"Some of these men had absolutely harrowing experiences," he said. "One guy just broke down when his commander was killed. He thought he didn't measure up to the way he was supposed to."

Dr. Goodwin is unsure how many of these men required additional treatment. It is almost impossible to determine, since symptoms of the disorder may manifest themselves years after the traumatic experience.

Now, more than three years after these events, veterans of Lebanon and Grenada are seeking help in understanding their troubled feelings. Many go to their nearest Vietnam Vet Outreach Center—storefront centers established by Congress in 1979 to counsel veterans who served from August 1964 through May 1975.

"It is not legally authorized," said Dr. Arthur Blank, director of the VA Readjustment Counseling Services, which oversees the centers. "Our staff is instructed to see people at least once and try to help them get help elsewhere."

These younger veterans, like their Vietnam counterparts, have somehow found each other. They knew from a look, a patch sewn on a leather jacket, a handshake, that they had lived through a certain time and place.

Counselor Judith Jenkins and others at the Vet Center in Jersey City, N.J., seeing the special needs of these men, asked permission from the VA to offer counseling. And the VA permitted them to conduct a weekly rap group for a limited period of time.

Edward Maynard attended those meetings, and found comfort there.

The groups met from September to December of 1985, when the VA said they had to end the sessions.

"We know they're out there," Jenkins said. "We were hoping to get more of them, but all we can think is that there are guys who heard the message but aren't ready to come in yet. There are some people who seek help, come in once and just are over-

whelmed by what is dredged up, and go back into the woodwork."

Usually their feelings are at first held in check by their military duty, and then suppressed when they return home, counselors say.

"They've been working hard just to get back into the human race," said Angel Almadina, team leader for the Manhattan Vet Center. "Once their life is a little adjusted they'll come in here. They don't even know what's wrong with them."

COLLEGE SAVINGS BONDS

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. HENRY. Mr. Speaker, you may have noted articles in the Washington Post and New York Times last week describing Vice President BUSH's plan to encourage the use of college savings bonds. Since I have been working on a similar proposal for some time with people in the higher education community, I want to describe in a bit more detail the advantages of such a plan, and invite your cosponsorship of legislation which I recently introduced to establish a college savings bond program.

The college savings bond proposal should be viewed as an alternative approach to other precollege savings plans, particularly those that have recently been popular at the State—where my State of Michigan has been the trend setter—and institution level. Although these plans have attracted a great deal of attention, they have at least three significant drawbacks from the point of view of financing higher education. First, they are primarily a vehicle for the upper middle class, since they are both complicated and involve setting aside a fairly large sum of money at one time or within a short period of time. Second, many families will be reluctant to use them because of the risk of losing the investment if a son or daughter decides not to attend the particular college or colleges covered by the plan, or not to attend college at all. And third, these plans may potentially mean a huge loss in revenue for the Federal Government. The IRS has currently pending before it a request for a ruling on the tax implications of the Michigan plan. A favorable ruling by the IRS would certainly be a "shot in the arm" for such plans, it would also mean a significant revenue loss for the Federal Government.

The idea of the college savings bond is very simple. The Department of the Treasury would be required to issue a new bond, called a "U.S. College Savings Bond." It would be sold through banks, or bought through payroll deduction, just as are the current savings bonds. It would be distinguished from other savings bonds in three ways. First, the interest accrued would not be subject to Federal tax if the bond is redeemed for tuition costs at an accredited institution of higher education. Second, the terms of the bonds would be designed so as to ensure their usefulness for college costs. And, third, donors of college savings bonds would be allowed to change the beneficiary of the bond in the event it is not redeemed by the initial beneficiary for col-

lege costs. If the bond is not used for college tuition, it would be treated for tax purposes like any other U.S. savings bond.

In my judgment such a plan offers greater usefulness to middle income families, who really need assistance, than do most of the other prepay tuition plans. It also might very well prove to be a useful vehicle for corporations, and others who would find making a contribution to a college education a healthy marketing strategy. And for the Federal Government, savings bonds are one of the cheapest ways of borrowing, and thus whatever tax revenues are foregone by the tax exemption would be partially offset by the Government's use of the money during the life of the bond.

**LT. COL. OLIVER NORTH: A
ZEALOT, NOT A HERO**

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. OBERSTAR. Mr. Speaker, I recently read an editorial in the Askov American of Askov, MN, which takes issue with the depiction of Lt. Col. Oliver North as an American hero. Over the last 2 weeks, I have been troubled to read stories about North's alleged popular appeal, and I would like to submit this article for my colleagues' attention. Oliver North is not a hero; he is a zealot who violated fundamental constitutional principles and numerous laws in his single-minded pursuit of the overthrow of the Sandinista government. Almost 70 percent of the American people disagree with North about U.S. funding of the Contras; I submit there are many more Americans for whom his conduct throughout this affair is deeply disturbing.

The currency of a democracy is openness and information. Mr. Speaker, information which allows the people we represent to make knowledgeable, informed decisions about the foreign and domestic policies of their Government. Oliver North's disdain for this constitutionally mandated process and his distrust of the United States Congress is what will be recalled when historians write the record of the Iran-Contra scandal. This disdain for the democratic process is the legacy of a zealot, not a hero. Let us not forget that fact as we continue these investigations.

I commend to the attention of my colleagues this editorial written with such perceptive insight by Askov American editor David Heiller.

A GREAT AMERICAN HERO?

(By David Heiller)

National politics usually has no place in a weekly editor's repertoire, but the past week of testimony from Oliver North before a Congressional committee in Washington offers a good reason.

Excuse me while I rant and rave. Oliver North is not a hero to me, despite the telegrams stacked in front of him and his glittering uniform. Despite his "telegenic" personality, his erect back and direct stares, despite his sincerity and tenacity, I don't think he will stay an American hero for long, if at all.

A friend of mine perhaps said it best Monday at lunch: "If people think Oliver

North is a hero, they'd better take a refresher course in civics."

North's actions, and the actions of the covert operation he belonged to, challenge our government just two months before the 200th anniversary of our Constitution. The Constitution, to refresh a few memories, is the document that set up our framework of government, dividing it into the executive, congressional, and judicial branch. It also added a Bill of Rights, 10 amendments that needed to be added to keep people believing in that government. First on the list: freedom of the press, freedom of speech.

The people who worked out the Constitution knew what life was like without freedom of expression, and they knew that an active press kept elected officials accountable. They knew that the system of checks and balances between Congress and the President would accomplish the same thing.

Oliver North stated time and again, with seeming pride, that he lied to Congress, to keep them from knowing the truth. He stated that he did not trust them, that they would leak information to the press, whom he did not trust either.

He did this to follow orders, he says, but he did this because it is something he believes in with such fervor. He didn't like the Congressional stand on Nicaragua, so he worked to change it, secretly, and against the laws of our Constitution, our nation.

His way reflects the Reagan's administration's way of dealing with Nicaragua and elsewhere. It's as good of an example of any as to why people in Nicaragua, and increasingly people around the world, are losing respect for our government. With double standards such as selling arms to terrorist, taking the money and secretly passing it on to the supporters of an overthrown dictator, and keeping the profits for personal use and future secret operations, who wouldn't support the Sandinistas? Who wouldn't lose faith in the current administration?

Heroes. We've all had them, and still do. Mine was Micky Mantle when I was a kid. He hit home runs and looked at you squarely from the Wheaties package. As we grow older, we look for other qualities to respect. Everybody has a person or two that they admire for their integrity, for their character, for their honesty. Parents try to raise their children with those qualities.

I hope my two children do not grow up to be like Oliver North. I want them to have convictions, but I want those convictions to follow our laws and government. If they do not, I want them to work openly to change them. I want them to follow orders, but not without asking why.

And I hope they live in a country that can separate a hero from a hoax.

**TRIBUTE TO FRED W. DEVINE,
RETIRING DIRECTOR OF CARE**

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MOODY. Mr. Speaker, 41 years ago, CARE was founded to assist the people of war-torn Europe. That year a young Columbia University student and veteran of World War II named Fred Devine joined the staff of CARE and embarked on a remarkable and distinguished career.

In September 1949 Fred Devine was assigned as Chief of the CARE Mission in Greece. Close to 700,000 people had been displaced, more than half of them children, as a result of the protracted civil war in Greece, particularly along the border areas. Many of the fields were still mined. Relief efforts of CARE, including the distribution of food packages, agricultural hand tools, and plows, organized by Mr. Devine and his staff, saved the lives of many who had no food to eat, seed, fertilizer, or animals to resume agricultural production. For his work, Mr. Devine was awarded the Gold Cross of the Royal Order of Phoenix by the King of Greece and the Distinguished Service Medal for exemplary action.

In 1952 Mr. Devine was assigned to India where he initiated one of CARE's first self-help programs which involved the introduction of improved plows to Indian farmers.

Mr. Devine moved on to become CARE's Regional Director for the Middle East, Africa, and Asia in 1953. His last overseas assignment was in Egypt as Chief of Mission. In 1957 he was called back to CARE headquarters and promoted to Assistant Executive Director. The following year he was named to the second ranking post at CARE headquarters, namely, senior deputy executive director, a position he held until last month. During his service with CARE Mr. Devine was a frequent visitor to Washington and was often called on by the committees of Congress as an expert witness on international relief and development issues.

In 1960 Mr. Devine was seconded by CARE to serve on President Kennedy's Task Force on the Congo; in this capacity, he assisted in drawing up plans for major relief and food aid programs to the Congo. Mr. Devine was repeatedly elected by his colleagues in the private voluntary organization community to chair the Material Resources Committee of the American Council of Voluntary Agencies which represented more than 50 organizations engaged in international relief and development work. The President Emeritus of CARE, Mr. Wallace J. Campbell, recently recounted a speech made by the U.S. Ambassador to Greece, Mr. Peurafoy in 1952 in which he referred to Mr. Devine as the Ambassador of the people of the United States to Greece.

As deputy executive director of CARE, Mr. Devine negotiated more than 30 agreements with heads of governments in Latin America, Africa, and Asia, leading to the provision of some 7½ million tons of food aid in support of health, education, and food-for-work programs.

IRISH AMERICANS MOURN THE LOSS OF JOHN GRIMES, PUBLISHER OF THE IRISH ECHO

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. BIAGGI. Mr. Speaker, it is with great sadness that I report the passing of a dear friend of mine and a good friend of the Irish-Americans in New York and around the Nation. John Grimes, publisher of the interna-

tionally known weekly newspaper, the Irish Echo, passed away Sunday, July 26, at the age of 54.

As the chairman of the 118-member, bipartisan Ad Hoc Congressional Committee for Irish Affairs, I feel this loss already. I have throughout the last 10 years relied heavily on John's leadership and insight, not only within the community, but also within the pages of the Irish Echo. Those of us who join together to find a solution to the suffering and strife in Ireland, and who seek freedom and justice in an oppressed land, look to the Irish Echo not just for information, but for inspiration.

John Grimes was that inspiration. He maintained his family tradition of excellence by bringing to the readers a link between the Irish-American community and the homeland, whether it be North or South. He published a newspaper that not only reported the news; it made the news. The acute attention that the Irish Echo has given to political issues of Ireland and Northern Ireland has indirectly contributed to national policy. John Grimes provided different Irish-American communities around the country with a means of reporting their special news—whether it be California or Connecticut, New Jersey or Chicago and, of course, New York, the Irish Echo's articles have brought everyone together with a deep sense of Irish pride.

John Grimes was a man with a strict work ethic. His drive and ambition resulted in a total sale of 32,000 copies of the Irish Echo during 1986. The Irish Echo circulates in and around New York City, ships copies across the country and publishes a Boston edition, started by John in 1981. While John's determination was obvious by his successful circulation, it is within the pages of the newspaper that John's special qualities can be found. His courage is brought out by the strong stand that the Irish Echo has never been afraid to take on any issue, yet his reason and sound judgment are evident in the editorial policies of the paper. In many ways, John Grimes was the Irish Echo, and our lives are diminished by his death.

John Grimes was born in the Bronx and attended Manhattan Prep and the New York School of Music. He graduated from Manhattan College in 1953, and was commissioned into the Navy, serving his country as a pilot on the *Coral Sea* until 1957. John Grimes succeeded his late father, Patrick, as publisher of the Irish Echo in 1978.

John Grimes leaves behind a legacy of accomplishments and success stories. While the Irish Echo's publication will continue under the leadership of John's widow, Claire, his absence will be felt by thousands. I will miss John. He was a valued friend and a compassionate one, and I would like to extend my sincere condolences to Claire O'Gara Grimes and to their daughters Jennifer and Katherine during this sorrowful time. I know that the entire ad hoc committee joins me in expressing our regrets in their loss and we send our prayers that God will indeed keep John "in the palm of His hand."

EMERGENCY LIVESTOCK FEED ASSISTANCE ACT OF 1987

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. WILLIAMS. Mr. Speaker, today my colleagues and I are introducing the Emergency Livestock Feed Assistance Act of 1987. This bill is designed to place the seven existing emergency livestock feed assistance programs under the authority of the Secretary of Agriculture, to establish standard eligibility requirements, and to speed up the appropriate response.

Natural disasters from drought and floods to insect infestation are an ever present concern of our Nation's agriculture community, and for years the Federal Government has properly provided an array of services to help our farmers and ranchers make it through the tough times. But it's clear now, from a recently released General Accounting Office investigation, that better and quicker help could be provided if the U.S. Department of Agriculture were provided the authority to administer emergency feed programs differently.

Under current law, seven distinct programs are available to provide emergency feed assistance. Some programs have the same objectives but differences exist under which the programs are available, the benefits they provide to livestock producers, and their relative cost to USDA. Some programs cannot be implemented without a presidential declaration of disaster, while others need only a secretarial declaration. Also, the Department of Agriculture cannot implement two of the programs without approval of the Federal Emergency Management Agency. These many and needless differences prevent a unified public policy of disaster feed assistance.

Many producers in some past emergencies have not even applied for assistance because the announced programs did not include an appropriate response to the circumstances in the particular State at a particular time. Also, delays in selecting appropriate assistance programs have resulted in too little help being made available too late. In many cases livestock producers have already sold their animals before the appropriate feed was made available.

This bill deals with all three of these issues. The legislation pulls together all seven emergency feed assistance programs under the Secretary of Agriculture. All assistance programs are made available for request by the Governor while the final determination for all livestock feeding rests with the Secretary of Agriculture.

The initiation of all emergency feed assistance is brought under a unified application process started at the State level by the Governor of each State. The Governor with the consultation of the State directors of agriculture stabilization and conservation service, soil conservation service, and Farmers Home Administration shall make a request to the Secretary of Agriculture for emergency assistance with the most appropriate program determined to meet the need at the local level. Most of

the problems experienced in the past could have been avoided by all seven of the statutory programs being considered initially by the Governors for appropriate application to the particular circumstances.

The bill sets time deadlines for response by the Agriculture Secretary. Within 14 calendar days, a preliminary determination must be made to deny the Governor's request or give tentative consideration to the specific program requests made by the Governor. Within 25 calendar days, a final determination by the Secretary must be made and justification given for denying the specific programs requested. This allows appropriate planning for providing feed to animals by livestock producers.

I believe that this bill is important to bring forth a clear public policy on livestock feed assistance and to improve the assurance that the policy will help USDA meet the greatest need with the most effective help. These improvements have been reviewed by the General Accounting office and have received the GAO's endorsement. I look forward to working for passage of this act.

INCUMBENT PROTECTION ACT

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. PORTER. Mr. Speaker, recently Mr. Alan Abramowitz wrote a most interesting article regarding Senator DAVID BOREN's bill on campaign finance reform. I agree wholeheartedly with Mr. Abramowitz' analysis of the bill's effect on campaign spending and the resulting protection for the incumbent candidate.

The article follows:

BOREN'S INCUMBENT PROTECTION ACT (by Alan Abramowitz)

In 1986, Democrat Alan Cranston and Republican Ed Zschau together spend almost \$25 million on their California Senate races. Two years earlier, Jesse Helms spent more than \$17 million in successfully defending his Senate seat in North Carolina. Several candidates for the House of Representatives spent more than \$1 million on their campaigns.

Even allowing for inflation, there is little question that political campaign spending has risen dramatically during the 1970s and '80s. Meanwhile, candidates complain about having to spend an inordinate amount of time and energy of fund-raising, and citizens' groups worry about the influence of special interest money on the legislative process.

The escalating cost of campaigns has led to increased interest in the issue of campaign finance reform. During the 1970s Congress enacted several reforms aimed at curbing campaign abuses, including strict disclosure requirements. However, two major reforms—limitations on personal campaign expenditures and total campaign spending—were ruled unconstitutional by the Supreme Court.

Now comes a new bill, proposed by Sen. David Boren of Oklahoma, aimed at getting around the Supreme Court's ruling by coupling spending ceilings with public financing of Senate campaigns. Under the Boren proposal, which has attracted a great deal of fa-

vorable attention in the press and appears to have considerable support in the Senate, a Senate candidate who raised at least \$250,000 from individual contributors would be eligible to receive public funds equal to the difference between \$250,000 and the spending limit for the state in which the election would be held. State spending limits, based on population, would range from \$687,250 in Wyoming to \$5.4 million in California.

At first glance, Boren's solution seems reasonable enough. Putting a lid on campaign spending would help neutralize the advantage of big-spending incumbents, and would greatly reduce the amount of campaign time devoted to fund-raising. Contributions by special interest groups also would be prohibited.

Despite these well-publicized advantages, a careful analysis reveals that the Boren proposal would have one major consequence that has been generally ignored by the press: Boren's bill, which sets spending ceilings that are substantially lower than the actual spending levels in recent Senate elections, amounts to an incumbent protection act.

To understand why the Boren proposal would work to the advantage of incumbents, it is necessary to consider the effects of campaign spending on the outcomes of Senate elections.

A statistical analysis of all Senate races between 1974 and 1986 (examining such factors as partisan and ideological makeup of each state, incumbents' voting records, challengers' political backgrounds, national political climate and possible candidate involvement in scandals and controversy) yields one overwhelming conclusion: Spending by challengers has a much stronger impact on the outcomes of Senate contests than spending by incumbents.

In fact, the challenger's campaign expenditures are the most important factor affecting an incumbent senator's chance of being re-elected. Thus, Boren's spending ceilings—too low to give most challengers a realistic chance of winning—protect the already favored position of the incumbent.

Why does the challenger's campaign spending have much more influence on the outcome of a Senate contest than the incumbent's spending? The answer is obvious: The incumbent is already well known by the time the campaign gets underway. An incumbent senator has had at least six years to cultivate voters by using taxpayer-subsidized perks such as the franking privilege, paid trips home on weekends and holidays, paid staff, printing and stationery allowances and subsidized television recording studios. In contrast, the campaign is generally the only opportunity for the challenger to establish his or her identity, and get messages across to the electorate.

It's true that since 1970 incumbent senators have not enjoyed the same degree of electoral security as their counterparts in the House. One out of five senators seeking re-election has been defeated, compared with only one out of 14 representatives.

Why? For one thing, the average state is much larger, more diverse and harder to represent than the average House district. An even more important reason for this discrepancy, however, is that Senate incumbents generally face much stronger challengers than do House incumbents.

If enacted into law, Sen. Boren's proposal would greatly reduce this discrepancy. Senators probably would become almost as secure in their seats as House members are.

And because a senator's term is six years rather than two, the result would be a drastic reduction in membership turnover, leading ultimately to a decline in responsiveness to public opinion.

It is not surprising that a group of incumbents would try to write campaign rules that help to perpetuate their hold on power. However, for those who believe that competition is as important in the political sphere as in the economic sphere, the Boren proposal should raise a red flag.

Let's face it. When it comes to political campaigns, in the words of Reverend Ike, "Money isn't the root of all evil—lack of money is the root of all evil."

A LOOK AT CENTRAL AMERICA

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. EDWARDS of Oklahoma. Mr. Speaker, the National Endowment for Democracy has undertaken a program to assist the development of democracy in countries as diverse as South Africa, Nicaragua, Poland, Chile, the Philippines and Afghanistan. In May, the endowment held a conference on "Advancing Democracy" which brought together an impressive array of democratic leaders.

I was particularly impressed by the remarks made at the conference Xavier Zavala. Sr. Zavala is the director of Libro Libre, an endowment-supported publishing program which serves as a center for intellectuals in Central America. Based in Costa Rica, Libro Libre publishes books about Central America, as well as classical democratic works such as the Federalist Papers.

The armed conflict in Central America is a frequent point of debate in the Congress. But Sr. Zavala focuses on a different and more fundamental kind of conflict: the effort by Marxist-Leninists to capture the principal cultural and educational institutions of the region. Libro Libre is the first serious attempt to counter this 30-year Communist political program.

Mr. Speaker, I commend the National Endowment for Democracy for helping to launch this vital program, and I call my colleagues' attention to Sr. Zavala's analysis of the ideological conflict in Central America.

REINFORCING YOUNG DEMOCRACIES: THE CENTRAL AMERICAN CASE

The topography of democracy in Central America is irregular and volcanic. While we boast the oldest democracy in Latin America, Costa Rica, we also have, one step to the north, in Nicaragua, the youngest Latin American totalitarian regime. Three incipient democracies lie further to the north of Nicaragua: Honduras, El Salvador and Guatemala.

But, since democracy is not the result of winds and rains, but, pure and simply, of human conduct, let's get to the core of the matter and ask ourselves: What do we think in Central America about democracy? Do we want to live in democracies? Are we democrats?

In Central America, since the days of independence, we have thought of ourselves as democrats. By this I mean that through-

out our history. Central Americans have always thought that democracy is the most desirable way of being governed. Our history is a chain of attempts at achieving democracy. Perhaps you wonder why a chain of attempts rather than a sustained democratic experience? I will answer this question, but first I want to emphasize the significance of these repeated attempts.

To say that our history has been a chain of attempts at achieving democracy is to also recognize that our history has been a chain of failures at achieving democracy. Each attempt ended up in new dictatorships and civil wars.

Since we are here to think about the future, what should we focus on in the past, the attempts or the failures? Both. Our sad history of failures, dictatorships, and civil wars has not been able to dissuade us from believing in democracy. To have kept on trying means that Central Americans have been stubborn in their search for democracy. For us, democracy is like a vocation or a destiny. How I wish they could hear me, those Europeans and North Americans who have visited Nicaragua and told us that they don't understand why we are asking for democracy now when we have never had it, nor have we ever been interested in having it.

But why, with the exception of Costa Rica, have we failed so endemically? Because, in spite of our stubborn belief in democracy, we are not democrats. The intellectual acceptance of democracy does not make one a democrat. Central Americans have thought that democracy is a good way to be governed, but not a good way to govern. To be a democrat, it is necessary to have accepted so personally the beliefs and values of democracy, that they tend to manifest themselves in virtues, in habits of conduct.

Now, except for Costa Ricans, we have not possessed, nor have we cultivated, the virtues of democracy. One thing is to believe that peaceful, social life rests upon the value of giving in; another thing is to be ready to give in. One thing is to accept that everyone has the right to influence public decisions, another is to be ready to be defeated. Our history shows that we do not have the virtues of giving in and accepting defeat. Without the virtues of democracy, our democracy experiences have been like buildings without foundations.

It is therefore obvious that the new democratic experiences need reinforcement. There is no reinforcement other than the permanent education in the beliefs and values of democracy in every sector of the population, so that they will guide and mold the everyday behavior of the community.

There is a second reason to reinforce democracy in Central America. Our democracies are besieged.

When I say that in Central America the democracies are besieged, probably what first comes to your minds is a picture of guerrilla movements in Guatemala, El Salvador, and Honduras. However, I am not going to speak of that armed, violent siege. Which does not mean that it should be ignored or that I do not consider it important: the armed threat to Central American democracies is very serious and should be faced with realism and courage. Realism and courage that should take into account two important realities of those armed marxist-leninist groups: they use democratic vocabulary to camouflage themselves, and they rely on a powerful propaganda network here in the United States, in Europe,

and in Latin America, that is constantly polishing up their image, justifying their existence, and promoting them.

But, because my time is limited, I am only going to speak about another type of siege being endured by Central America's democracies; a siege that is long-term and that, in the long term, is much more dangerous. It tends to pass unperceived because it is slow, silent. It tends to be acceptable because it rests upon and takes advantage of the very democratic principle of freedom of thought. This slow and silent attack is nothing less than the sowing of anti-democratic and pro-communist ideas and values.

The aim is to gradually change the Central American peoples' system of beliefs and values. For example, it is wrong to believe that everyone has an equal right to influence and direct the country's politics; the correct thing is to follow an enlightened vanguard of new men. To believe that the future depends on free choices is antiquated bourgeois thought; what is scientific is to seek and accept the destiny of history. Private businesses are dirty, egotistical, and rob the people's work and wealth; on the other hand, an economy in the hands of the state is justice and equality. The ills of the Third World and of Central America are the result of North American imperialism; to try to resolve them without destroying that empire is naive; the United States is the evil, and beautiful, just, Russian socialism is the answer.

Although it doesn't make noise, it doesn't make the news, it is a real war against Central American democracy that has been waged primarily in three types of education centers: the general studies schools, the teacher-training schools, and journalism schools. The concrete goal is to change the set of beliefs and values of the university students (future professionals), of the normal school students (future school teachers), and of the journalism students (future public opinion shapers).

Perhaps I should clarify what I am referring to when I speak of general studies schools. Thirty years ago, when all the Central American universities were "national" and "autonomous", that is, when they all were run with public funds transferred obligatorily by the governments, but simultaneously had total independence from the governments in administrative and academic matters, there, the most efficient attack against democracy was planned and implemented. An efficient but silent attack, that began considerably before the marxist-leninist guerrilla movements gained importance and that continues to this day, in almost all national universities and even in two private ones.

At the end of the fifties, university studies were reformed. It was a good reform. It didn't make sense that a young law student should receive only a knowledge of the legal profession while he was at the university, or that the engineering student should only study engineering. The universities should give young people a complete, balanced, humanist formation. Something similar to a college education in the United States. To achieve this goal, the general studies programs were created in the Central American universities: two years of humanities were obligatory for all new students before beginning their strictly professional studies.

But, there were persons properly placed at each university to deviate the reform from humanism to indoctrination. The new obligatory courses in philosophy, history, culture, national reality, etc. provided the per-

fect opportunity to indoctrinate the young university students against democracy and in favor of soviet totalitarianism. Let me give you an example to illustrate what I mean. There is, still today, in truly democratic Costa Rica, a national university that officially establishes as a specific objective of some general studies courses, that the student should "become conscious of economic and cultural dependency and endorse the Cuban revolution as an option for the overcoming of underdevelopment and dependency."

Important weapons in this war of ideas and values have been the text books and assigned reading material presented to the students. Publishing companies have been set up to produce and supply the necessary books. Let me use as an example the texts on sale at Panama's National University's bookstore. Just this past April, more than 80% of the titles for sale in the political science section were published by pro-soviet publishing houses; for history, more than 50%; for economics, 39%. It is interesting to observe that these specially created publishing houses do not seem to be interested in presenting other versions of Marxism, for example contemporary Euro-communism.

I had concluded the first part of this presentation saying that democracy in Central America needs a permanent education in its beliefs and values. However, while little was done in that respect, others had planned and implemented the takeover of educational centers to do exactly the opposite. For at least thirty years a good percentage of our youth has passed, unaware, through a battle ground against democracy where the bullets are ideas and values, and the weapons, professors, educational programs, and books.

Yes, democracy needs to be constantly reinforced. How? There are initiatives being taken in Central America and all around the world, as the attendance at this meeting shows, and as the National Endowment for Democracy probably has experienced. They should be backed and helped, as the National Endowment for Democracy has done with *Libro Libre*. I express here and very publicly, my thanks to the Endowment as I also do to Freedom House and to the American Institute For Free Labor Development for what they have done for us. But, of course, there is much more to be done. And it should be understood that all this is not for short-sighted people. The results are not for tomorrow. We need commitments to long-term efforts. Those who planned the indoctrination of the Central American youth thirty years ago, were not short-sighted.

A TRIBUTE TO LAURA TRIVERS

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mrs. LLOYD. Mr. Speaker, for the past month I have had the pleasure of having Laura Trivers, a student at Duke University, and a resident of my congressional district in Tennessee, serve as an intern on my Washington staff. Laura has been an extremely capable addition to my office and I am pleased to submit to the CONGRESSIONAL RECORD an article she wrote which appeared in the July 30, 1987, edition of the Chattanooga Times

on her experience at the historic Iran-Contra congressional hearings. Godspeed Laura and best wishes. The article is as follows:

I tumbled out of bed at 5 in the morning to stand in line—a line that two hours later would hold over 200 people. Tired and weary, we waited to see Oliver North who in a few short days had become the world's most famous or perhaps infamous lieutenant colonel.

The preteen in pigtails next to me walked up and down the line and returned with the verdict. I was #77. Security guards admit only 18 people for each 30 minute session. Surely, I thought to myself, I would get in before lunch. I was wrong. The length of the line was deceptive. Each member of the select committee was given a pass to be used by staff members. These fortunate individuals were included with the people in line who had waited hours for the seats. After waiting through the two hour lunch recess, the ordeal continued as we were led single file into the Russell Senate Office Building where our bags were searched. We then walked through two metal detectors—one is regular Congressional procedure. Guards warned us that once seated we would not be allowed to stand up until our 30 minutes were completed. The previous day's outburst in the hearing room had obviously affected the security guards. We all nodded in acquiescence although after waiting nine hours we would have agreed to stand on our heads to see the testimony.

My 30 minutes in the hearing room were filled with the select committee practices now standard to the American people. The senators and representatives nervously debated the tactics of Senate counsel Arthur Liman; Brandon Sullivan, outraged at the questions asked of his client, objected vehemently; Oliver North pleaded his case with that "Oh golly, I thought it was moral" voice; And, wife Betsy sat demurely with her hands folded in her lap while she looked adoringly at Ollie.

What did surprise me, however, were the attitudes of the other people in line and those watching across the country. Oliver North had lied and shredded his way to become the newest American hero.

"Ollie is the greatest," the high school student behind me told a reporter. "He is brave and loyal and a veteran and we should not be persecuting him like this, he continued.

North admittedly lied to Congress, shredded documents pertinent to the Iran Contra affair, and totally disregarded both the Constitution and American public opinion on Contra aid. But it didn't matter. Ollie mania was sweeping the country, and its headquarters was in Washington, D.C.

While we waited to enter the hearing room, messengers carried bundles of telegrams into the hearing room. Florists carried dozens of long stemmed red roses. Across the street from the office buildings supporters held pro-North rallies and passed out buttons. Several days later stores began displaying Olliewear. Camouflage pants and "Ollie in '88" buttons became the look for the hot Washington summer. Restaurants even created the Ollie sandwich—a hamburger with shredded lettuce and tomato.

As tourists and probably natives too began purchasing the T-shirts and buttons and banners, people around the country began to write or call their elected representatives in support of North. Members of the select committee were inundated with opinions. The vast majority were against Congress' treatment of Lt. Col. North.

Sen. Sam Nunn's (D-GA) mail ran 97% in favor of North or opposed to the Congressional investigation. But, Nunn's office reported his approval rating among Georgians increased dramatically when the senator began his series of questions to North.

Rep. Dick Cheney (R-WY)'s office was not surprised by the deluge of constituent support for North. His staff has been instructed to answer the questions raised by their constituents but not to push the Congressman's opinion.

As a country, we can't see the forest for the trees. The American people is too wrapped up in the trappings of the unfolding drama. Concerned with appearance and personality, the public has overlooked the importance and significance of these hearings. Even the Washington Post, that bastion of journalistic integrity, gave the drama's protagonists makeovers. Liman, Neilds, and Sullivan were given new coiffures at the sweep of the artist's hand. Neild's Berkeley style was replaced with an almost yuppie look. And, Liman received a tidy looking toupe to replace his fettucine style curls.

The people who waited in line during the first two days of North's testimony were adults who remembered the Watergate hearings. The remainder of the testimony attracted younger people who remember Watergate only as the interruption of the Brady Bunch. Understandably, they wanted to have that front row seat for this governmental drama—one that will most certainly be dissected in political policy classes as the case study for covert relations and executive-legislative interaction.

The questions brought up during the past several weeks are crucial to the future of our government. We need to be concerned about the roles of our elected representatives in foreign policy decisions. We need to be concerned about the difference between Congressional approval and Congressional knowledge. And, we must be concerned with the lack of knowledge of our chief executive on policy emanating from his office. These are the issues about which the American people should be writing to their representatives.

Many of these questions will be addressed as members of Reagan's cabinet go before the select committee. Their testimony will not be as emotionally evoking as North's but it may be important to the big picture of American government and foreign policy.

Select committee member Sen. William Cohen was recently quoted as saying, "If you want theatrics and drama, turn it (the hearings) off. But if you want to see how this government functions, stay tuned. The heat has been turned down, but the facts are very chilling."

SUPPORT TRUTH IN PIZZA LABELING

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. JEFFORDS. Mr. Speaker, the frozen pizza manufacturers do not want the American people to know what they're eating. They have formed the "Fair Pizza Labeling Committee" to lobby against a proposal pending in Congress that would let consumers know whether or not their frozen pizza contains any real cheese.

The issue is simple. Fake cheese is cheap; using it on frozen pizzas boosts profits for the pizza manufacturers. Consumer surveys conducted for the Food and Drug Administration show that many consumers—over 40 percent—would not purchase a frozen pizza if they knew it did not contain real cheese. If consumers are allowed to make an informed choice, pizza manufacturers using fake cheese might be forced to switch to real cheese in order to satisfy consumer demand.

As a strong supporter of Truth in Labeling on frozen pizza, I commend to your attention the editorial that recently appeared in the Boston Globe. I think you'll agree that consumers deserve the right to choose between "cheese analogue" and the real thing.

The July 19, 1987 editorial, entitled "The Mock Mozzarella", reads as follows:

Congress may have to resolve a controversy swirling around the freezer section of every supermarket in the land. The issue: should Americans know whether there is cheese in frozen pepperoni pizza?

Government regulations allow food companies to make frozen pepperoni or sausage pizza with little real cheese. The companies are allowed to use a look-like consisting of soybean oil and milk protein. They are required to list these ingredients in small print. The dairy industry is pushing a bill in Congress that would compel the pizza companies to either use real cheese on their meat pizzas or put a big label on the front of the box proclaiming the presence of a cheese substitute. Pizza manufacturers, such as Pillsbury and Quaker Oats, have organized themselves into the Fair Pizza Labeling Committee. The fake stuff—they call it cheese analogue—is cheaper, they say, making frozen pizza more accessible to poor people, and is healthier because it contains less cholesterol.

The dairy lobby says it is concerned with truth in labeling. The pizza producers say they want to safeguard consumers' health and pocketbooks. Both are circumspect about their true motives.

The real issue is money. A bill dollars' worth of meat pizza is sold each year. Dairy people think they will unload \$56 million worth of mozzarella, the most popular pizza cheese, if the bill passes. Pizza makers want to keep their profit margins high.

The bill should pass. The name "pizza" implies the presence of cheese just as the word "hamburger" implies meat. People who thought the pizzas contained cheese all along are entitled to their mozzarella.

The manufacturers should not lose heart if the bill is approved. If fake cheese contains one-eighth as much cholesterol and one-quarter as much saturated fat as the real thing, let them put the words "cheese substitute" on the label and rename the product. Let them call it "Nutri-Pizza." They'll make a fortune.

U.S.S. "INTREPID"—A NATIONAL TREASURE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. BIAGGI. Mr. Speaker, one of our Nation's great historical and educational landmarks is in need of our help. I am referring to

the U.S.S. *Intrepid*, which has been designated a national historic landmark. On August 4, 1982, this historic aircraft carrier was opened as a museum at West 46th Street and the Hudson River, in my home city of New York. More than 3 million people have visited the *Intrepid* Sea-Air-Space Museum since then. Unfortunately, future generations may be deprived of this experience if Federal assistance is not made available.

To visit this gallant lady is to feel and hear the sounds of battle and the presence of thousands of American sailors who fought and sacrificed for our country. The decks of the *Intrepid* should be regarded as hallowed ground—a part of our Nation and its history—and should be preserved. Failing in that we will have broken faith to valiant specters that still inhabit this symbol of courage and freedom.

Specifically, the *Intrepid* is seeking affiliation with the National Park Service, as well as a limited amount of Federal funding to help improve its financial stability. The *Intrepid* Sea-Air-Space Museum is currently operating under chapter 11, due largely to the fact that development of Manhattan's westside waterfront—where the *Intrepid* is located—has been delayed, resulting in less than projected attendance levels at the museum. Without Federal help, there is great uncertainty about the future of the *Intrepid*, including the possibility that this historic aircraft carrier might be scrapped. That would truly be a national tragedy, and I believe a brief history of the *Intrepid* will help to convince my colleagues of the need for favorable action in this important matter.

The aircraft carrier *Intrepid* served the United States for a period of 35 years, participating in history-making events everywhere it went. Peacetime maneuvers, battle action, space exploration and national historical celebrations each make up an exciting chapter in *Intrepid's* fascinating biography.

Almost as if a premonition, its construction began in 1941, less than 1 week before the bombing of Pearl Harbor. In 2 year's time the *Intrepid* joined the Pacific fleet and became an important part of the *Essex*-class of aircraft carriers. The *Essexes* were responsible for Allied victory in the Pacific, sometimes referred to as the "carrier war."

The *Intrepid* played an instrumental role in the largest naval battle in history, the battle for Leyte Gulf, the Philippines, October 1944. A major loss for the Japanese, the battle cost them 22 ships and hundreds of aircraft.

In its total war effort, the *Intrepid* sunk over 80 Japanese ships and shot down more than 800 aircraft. But it did not emerge without battle scars. Two hundred airmen were lost in offensive movements, while a torpedo, bombs, and kamikaze hits took the lives of over 100 crewmen. At one point, after suffering two simultaneous kamikaze attacks, the ship itself was put on the disabled list for several months for repairs.

Intrepid was temporarily decommissioned after the war, but war in Korea put it on schedule for complete modernization. Ready for action in 1954, *Intrepid* spent the next decade cruising the Atlantic and the Mediter-

anean. Significant events during this tenure were participation in the naval blockade of Cuba during the Cuban missile crisis and assignment as NASA's prime recovery vessel for the retrieval of astronauts in 1962 and 1965.

War in southeast Asia brought *Intrepid* back into battle action, as it did three combat tours off Vietnam between 1966 and 1968. Later, it helped strengthen United States presence near the Middle East. In 1974, the *Intrepid* was permanently decommissioned by the Navy. But it did not remain inactive for long. It served for 1 year as an official U.S. Navy bicentennial exposition in Philadelphia to help celebrate the 200th birthday of our country. In order to be rescued from the scrapheap, this historic ship was established as a museum in 1978 and opened to the public 4 years later. Its most recent distinction was designation as a national historic landmark by the Secretary of the Interior just last year.

The *Intrepid* was in the forefront of world events. As a museum it can show us its own history, which is in itself, a part of American history. And it does so in a way distinctly different from most other museums. The *Intrepid* is a living piece of history, a closer link to past world events in which it was a direct participant than a simple photograph or scale model could be. When a person climbs aboard the ship and learns all about where it has been, what it has done, he or she can actually walk through the living quarters and on the flight deck and visualize what it must have been like.

As a museum, the *Intrepid* has quite a lot to offer to the public. Several major exhibit halls showcase past and present naval technology, *Intrepid's* historic battles during World War II, early aviation, the space age, and a special dedication to military heroes. A number of galleries have additional exhibits concentrating on sea, air and space. The educational resources it can provide include study guides and lesson plans for educators, workshops and seminars, a research library, and internship programs, to name a few. Approximately 200,000 students visit the museum each year. The overall educational value of the *Intrepid* Museum cannot be overstated.

Another asset of the museum is its permanent location in New York City, which greatly increases its accessibility. Twenty-five million people live in the metropolitan area, and nearly 40 million are within a day's drive of New York. In addition, the city is visited by 17 million American and foreign tourists each year. Once within the city, the *Intrepid* Museum is easily reached by any means of public transportation.

There are a number of other factors attesting to the value of the continuation of the *Intrepid* Museum. There is only one other retired carrier in the world to have been preserved, the U.S.S. *Yorktown* in South Carolina, and there are none incorporated into the National Parks System in this country. Also, several organizations depend on the *Intrepid's* existence, among them the Congressional Medal of Honor Society, the Manhattan Naval Reserve Center, and the Board of Education of New York City.

The *Intrepid* Museum is dedicated to the preservation and perpetuation of U.S. history. The lessons it has to offer on the growth of

technology in the sea, air and space come from having been a part of that history in the making. Three million visitors in the first 5 years have been able to appreciate the opportunity to tour a world famous aircraft carrier. It would be a national disgrace to deprive the millions of others who have yet to experience it. I urge my colleagues to join me in providing the assistance necessary to prevent that from happening.

A CENTURY OF CARING: D.A. BLODGETT HOMES FOR CHILDREN

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. HENRY. Mr. Speaker, it has been said many times that children are America's most precious and valuable resource. No one knows that better than those who are associated with the D.A. Blodgett Homes for Children in Grand Rapids, MI. For 100 years, D.A. Blodgett Homes has provided the foundation for the future for thousands of children and families in need.

In 1887, Mrs. D.A. Blodgett and Mrs. M.J. Clark organized a group of women to provide care for children from broken homes. Incorporated under the name, "The Children's Home Society," in 1892, the Home's stated purpose, in part, was "to keep and maintain a home for friendless and homeless children."

Every effort was made to operate as much like a family home as possible. There was a dining room where everyone ate and was taught table manners. The children all slept in two large rooms, one for boys and one for girls. Each child had a bed of his or her own. There was a playroom, and a reading and study room. All school age attended the nearest public school and all attended Sunday School regularly. The older girls were taught sewing, knitting, and mending, while the boys were taught manual training. Special efforts were made to instill politeness and good works.

In 1908, a new structure was built and the following year, the name was changed to D.A. Blodgett Homes for Children. During the next few years under the innovative leadership of Mrs. John (Minnie) Blodgett, the home was one of the first in the Nation to put into practice the foster care concept. Mrs. Blodgett was also instrumental in developing Camp Blodgett, a summer camp for foster children, the Clinic for Infant Feeding, the Association for the Blind and many other human services desperately lacking and needed during the early 1900's.

The year 1920 brought the employment of the Home's first social worker and signaled a rapid movement of children out of the institution and into foster homes. A short time later, the Foster Care Program was an established policy.

The Foster Care Program reduced the need for an institutional facility building and in 1935,

the Board of Blodgett Homes leased the building to the Mary Free Bed Guild while retaining space for administrative headquarters.

The 1930's brought an increased awareness of the importance of the parent-child relationship, and the Home began to regularly use the volunteered services of well-established local physicians and psychiatrists. With the emphasis more and more on fosterhome care, in 1950 the agency redesigned its purpose "to provide foster home care to children whose family situations or personal problems make necessary or advisable a plan away from their own parents * * *."

As one of the charter members of the Federation of Social Agencies which revolved into the United Way, Blodgett Homes was given a full membership to the Child Welfare League of America in 1954.

The 1950's brought other changes. A plan was created which contracted the various child care agencies to provide care for children who were public charges of the Kent County Department of Social Services. This significant development resulted in the expansion of the Home's Foster Care Program. The first of two Guilds was formed by the board of directors with the stated purpose "to be of service to Blodgett Homes and the children under its care whenever possible." And, the tremendous growth of the agency resulted in the construction of a new administration building—to which there have been three additions.

During the 1960's agency services were departmentalized into four categories which included Adoption and Infant Boarding Care, Foster Care Home Finding and Placement, Family Rehabilitation and Unmarried Parent Counseling, and Big Brother. New programs were added throughout the sixties and seventies including a Big Brother Program, foster home care for the mentally impaired and physically disabled children, a Big Sister Program and a program to specially train foster parents to provide a more therapeutic environment in a home for the severely emotionally impaired youngster.

More recently, D.A. Blodgett Homes instituted three new programs—a Special Needs Adoption Program helping adolescents, minority children and large sibling groups in need of adoption services, Sisters in Support which matches volunteer adult women with parenting teens, and the Family Reunification Program, a pilot program with the purpose of expediting permanency through intensified counseling services to neglectful parents and their children.

As you can see, Mr. Speaker, the commitment D.A. Blodgett Homes for Children made 100 years ago to caring for friendless and homeless children continues today in a much expanded role. As the agency embarks on its second century, its mission and mandate is "to enhance the well-being of children with special needs and their families, both present and potential, through traditional and innovative services that provide the best opportunity for them to meet their full potential as human beings."

Please join with me, Mr. Speaker, in ex-

pressing appreciation to D.A. Blodgett Homes for a century of caring and for giving thousands of youngsters a reason to hope for the future.

KURDISH MILITANTS THREAT TO TURKEY

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MOODY. Mr. Speaker, I thought my colleagues might find interesting the following article that appeared in the Christian Science Monitor. This article deals with the very important and ongoing problems on Turkey's borders with Iran and Iraq. Activity in southeastern Turkey by the Kurdish militants has created, by many accounts, "the most serious threat" faced by that country in the last 50 years. For this reason, I wish to place this piece in today's RECORD.

TURKEY PURSUES TWO-TRACK POLICY TO STEM KURDISH VIOLENCE

ISTANBUL.—Turkey is preparing for a long and difficult struggle against what officials here describe as "the most serious threat" this country has experienced in the last 50 years.

Escalating guerrilla warfare by well-trained Kurdish militants in southeastern Turkey, they say, has put at stake the region's security and the nation's unity and territorial integrity.

So far all attacks have been concentrated in the remote villages of the southeast, but the concern in official circles is that the guerrillas might expand their activities into urban areas.

In the spate of attacks in Turkey's "wild east," Kurdish "terrorists" have taken the lives of some 478 people in the region, including 320 civilians, the government says.

Groups of Kurdish gunmen have been entering villages late at night and opening fire indiscriminately. Two attacks occurred recently in Mardin Province only a few hours after Prime Minister Turgut Ozal toured the area and appealed to the terrorists to take advantage of an amnesty law and surrender.

The Workers' Party of Kurdistan (PKK), a Marxist-Leninist group, claims responsibility for the attacks. The group, which began as an underground organization in 1978, says its aim is to "liberate" the Kurdish-inhabited areas of Turkey and create an independent Kurdish state.

The PKK has conducted terrorist actions in the southeast for three years through its military wing, the People's Army for the Liberation of Kurdistan. The PKK leader, Abdullah Ocalan, is known to have his base in Damascus, Syria. Guerrillas, according to Turkish intelligence, come over the border from Syria, use hit-and-run tactics in areas difficult for Army units to reach, and escape over the borders into Syria, Iran, or Iraq.

According to the Turkish government, the PKK has some 1,100 armed men carrying out operations from within Turkey, and a total estimated force of about 3,400 men.

Because of the recent escalation of the terrorist campaign and the rise in casualties the Ozal government has developed a series

of short- and long-term measures aimed at curtailing the terrorism:

A new post of "regional governor" has been created for an eight-province area of southeastern Turkey. The governor will have broad powers over the security forces.

A special, well-trained, well-equipped "strike force," probably numbering 5,000 will be formed to fight the terrorists in place of regular Army units. Army officers in the region have complained that regular soldiers doing military service are not properly trained nor equipped to deal with terrorism.

Prime Minister Ozal two weeks ago reached an agreement with Syria that provides for cooperation between the two nations on security matters. Syrian authorities are committed to preventing PKK militants from using Syrian territory as a base for actions.

Consideration is being given to ways of modernizing regional communications, increasing intelligence-gathering on the PKK and other terrorist groups, and improving the equipment and weaponry used against them.

The government has acknowledged an urgent need to develop southeastern Turkey, which has long been neglected, both economically and socially. Most of the country's ethnic Kurds (estimates vary from 6 to 10 million) live in the area and are poor and illiterate. Although such conditions create a favorable ground for the separatist campaign, surveys show that the majority of the Kurdish population does not support the militants and strongly opposes their terrorist methods.

REDUCTION OF THE FEDERAL DEFICIT

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MATSUI. Mr. Speaker, one of the most important issues facing this Congress is the reduction of the Federal deficit. Having presided over the staggering increase in the deficit over the last 6 years, the President now seems willing to take no meaningful action to reduce the deficit.

We have an opportunity this week to ensure that the deficit will be reduced and to increase the likelihood that the President will participate in the process. Enactment of a constitutionally valid Gramm-Rudman trigger as part of the conference on the increase in the public debt limit (H.J. Res. 324) is the key to deficit reduction.

Yesterday, Chairman ROSTENKOWSKI outlined his thinking on deficit reduction and Gramm-Rudman in an article in the Washington Post. I commend this article, which I am inserting in the RECORD on behalf of Mr. ANTHONY of Arkansas, Mr. FLIPPO of Alabama, and myself to my colleagues for their consideration.

[From the Washington Post, Aug. 2, 1987]
**AN OFFER REAGAN CAN'T REFUSE—HOW
 DEMOCRATS CAN GET HIM TO SWALLOW A
 TAX HIKE AND CUT THE DEFICIT**

(By Dan Rostenkowski)

I didn't shed any tears when the Supreme Court struck down the so-called Gramm-Rudman-Hollings law as unconstitutional. I've come to the conclusion, however, that the only way to force President Reagan and Congress to enact a realistic deficit-reduction package is to reinstate the automatic trigger under G-R-H in a constitutionally valid manner. This week House and Senate negotiators should agree on a plan to do this and a simple goal should guide our negotiations: real deficit reduction.

G-R-H establishes fixed federal deficit targets and requires that automatic spending cuts take place if the targets are not met through the regular legislative process. The idea that we have to rely on automatic spending cuts is offensive to me. Our budget priorities should be developed after debate, negotiation and compromise between Congress and the president. But I'm convinced that, unless the president and Congress are faced with substantial and, frankly, unpalatable spending cuts, we will never make the tough choices required to reduce the deficit.

I think I have a unique perspective on this issue. I chaired the House-Senate conference committee that drafted the final version of G-R-H, so I know how strongly its supporters and opponents feel about it. I also chair the House Ways and Means Committee, so I know how hard it is to reach consensus, especially on a tax bill.

My idea for restoring the "trigger" in G-R-H is pretty straightforward. In order to make the process constitutional, I would vest final authority for making automatic cuts with the Office of Management and Budget, an arm of the executive branch. But I would give OMB virtually no discretion in determining the cuts. I would reinstate the trigger for two years. That would allow the next president to make recommendations on continuing the trigger and give Congress time to see how OMB complies with the law.

I would revise the deficit targets to a level that would be painful but not disruptive to the economy. Deficit reduction on the order of \$36 billion per year would satisfy that test. I would continue the current 50-50 split between defense and non-defense programs subject to the cuts, but I would exempt military personnel accounts. This balance would protect our combat readiness, while putting pressure on the president's defense buildup. Finally, I would double the cuts in the Medicare program from 2 percent of program costs to 4 percent. This would prompt the medical community and the elderly two powerful groups, to insist on a budget compromise rather than G-R-H cuts.

I want the G-R-H fixup to be simple, understandable and—unlike much of what we've done in past deficit-cutting efforts—real. I want Congress to pay a price if it fails to pass a balanced deficit-reduction bill—the price of having to explain to constituents why essential programs, such as air traffic control or bridge repair or medical care for the disabled suffered cuts that could have been avoided. And I want the president to pay a price if he insists on vetoing such a balanced bill—the price of a significant reduction in the defense buildup that he has refused to pay for.

By restoring the trigger under G-R-H, we make the price of failure to reach a budget compromise very high. It's a risky strategy.

But the risk to our economy is much greater if we don't get action on the deficit. And without the G-R-H gun pointed at all of us, I don't think we will.

The president's recent stump speeches and veto threats on revenues indicate that he's willing to simply walk away from the deficit. It's bad enough that he's content to leave the next president with a built-in deficit of \$200 billion per year. But he seems to be enjoying himself doing nothing about it!

But just as troubling are calls from members of my own party to be "constructively irresponsible" and pass a "soak the rich" bill that has no chance of becoming the law, just so we'll have political "cover" when the bill is vetoed.

To use the president's words, this is "our watch." Leaving the deficit unresolved until the next election is just plain gutless. Admitting that reduced spending must be combined with more revenue is the necessary first step. Then we've got to develop a bill that can become law. Tough as that will be, I'm convinced that passing a tax bill that Democrats can support and the president can sign is not as impossible as many legislators seem to think.

The history of major tax laws is one of Republican presidents cooperating with a Democratic Congress. The major exception to this rule of cooperation was the 1981 tax bill. It is also the best example of why Congress and the president should work together in writing tax laws. Democrats got rolled by the president on that bill and it started a \$900 billion revenue drain on the treasury. But passage of the 1982 and 1984 deficit reduction bills and the 1986 tax reform virtually repealed the worst revenue excesses in the 1981 act. It took us six years, but we did it. And we did it with President Reagan's support.

How did we do that? How did we pass, and the president sign, not just these big tax hikes but also hefty boosts in gasoline and Social Security taxes without either side taking political heat for it? By working together and making sure the president was on board. The tax increases since 1981 have been signed by the president for two reasons. One, they were necessary to achieve important policy goals—deficit reduction, highway improvements and long term solvency of the Social Security system. Two, they did not threaten the president's primary tax policy—lower income-tax rates.

The 1982 and the 1984 acts had common characteristics: "Base broadeners" to distribute the tax burden more equitably, "loophole closers" to make the tax code fairer, "user fees" and more excise taxes. Now we have to use the same approach, starting with the revenue proposals in the president's own budget: further "base broadeners," the closing of "loopholes," "user fees" and adding, only if necessary, modest excise taxes.

If we try to raise income-tax rates, however, we give up any chance of getting the president to the bargaining table. President Reagan is a formidable opponent even when he's wrong. And he is wrong when he says we don't need new revenues to reduce the deficit. But wait until you see him when he's right. And when he objects to raising marginal tax rates, he is right.

Tax reform promised two things. First, lower rates in return for the repeal of tax preferences. Second, stability in the tax system for both individuals and the business community. We have had four major tax bills since 1981. Although the deficit demands yet another major tax bill, the need

for stability argues against disrupting the 1986 act.

I've worked with this president on a number of major bills over the past six years—two deficit-reduction bills, Social Security solvency, trade reform and tax reform. In fact, I've been criticized by Democrats for being too concerned about getting the president's support for legislation. But don't get me wrong. No member of the House is more disappointed and angry with the president's refusal to face up to the deficit.

Like many of my colleagues, I wish we could convince the American people that this president—who has never submitted anything remotely close to a balanced budget, who in six years has more than doubled the federal debt to over \$2 trillion—is the biggest deficit spender in history. He is. But the American people just don't believe it.

It is even harder to convince the American people the president is the biggest peacetime tax raiser in our history. But he is. He has signed laws raising \$400 billion in taxes over five years. His own budgets have recommended \$220 billion in new taxes. But again, the people just don't believe it.

The president's political posturing doesn't sit well with me, but neither does a \$180-billion deficit. To reduce that deficit, Congress must pass and the president must sign a deficit-reduction package. Our goal should be to get that presidential signature. We can get it by reinstating the G-R-H trigger and by sending the president a bill that cuts spending responsibly and raises revenues without raising income-tax rates. Let's stop the name-calling and finger-pointing and get the job done.

BORK'S SATURDAY NIGHT MASSACRE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. CONYERS. Mr. Speaker, no matter his academic credentials, the nomination of Robert Bork to the U.S. Supreme Court is abhorrent to the Constitution whose Bicentennial we are now celebrating.

While it may be that President Reagan's memory of even recent events is flawed, the national consciousness of Mr. Bork's culpability in the Saturday Night Massacre has been preserved in the written opinion of United States District Judge Gerhard Gesell in the case of *Ralph Nader v. Bork* (366 F. Supp. 104, 1973). Although Judge Gesell's opinion was subsequently vacated as moot by the Court of Appeals, it remains the only judicial discussion of Acting Attorney General Bork's role in the so-called "Saturday Night Massacre."

Discussing Mr. Bork's execution of Richard Nixon's malevolent order to fire Prosecutor Cox, Judge Gesell remarked that "these distressing events . . . have engendered considerable public distrust of government." And to emphasize that salient point, Judge Gesell further noted that, "The discharge of Mr. Cox precipitated a widespread concern, if not lack of confidence, in the administration of justice."

Is it really believable that a man who "engendered public distrust of government" and who precipitated a "lack of confidence in the administration of justice" should earn elevation to the venerable Supreme Court of the United States?

For those who, like President Reagan, have forgotten just how reprehensible was the firing of Prosecutor Cox, Judge Gesell's opinion reminds us that Mr. Cox was discharged "because he was insisting upon White House compliance with a Court Order which was no longer subject to further judicial review"—a final order that Richard Nixon turn over documents to the special prosecutor.

In other words, lest there be any fudging of that notorious incident, Bork fired Cox because the prosecutor insisted on having the incriminating evidence. And when neither the Attorney-General nor the Assistant Attorney General would carry out Nixon's order, Bork stepped forward to do the boss' dirty work.

As Judge Gesell determined, the dismissal of Mr. Cox violated the Justice Department's own regulations providing that the special prosecutor could not be removed "except for extraordinary improprieties on his part." Citing those regulations, Judge Gesell wrote:

[T]he Supreme Court has twice held that an Executive department may not discharge one of its officers in a manner inconsistent with its own regulations concerning such discharge. * * * The firing of Archibald Cox in the absence of a finding of extraordinary impropriety was in clear violation of an existing Justice Department regulation having the force of law and was therefore illegal.

Cox's dismissal was so clearly violative of the regulation under which the Special Prosecutor has been appointed that Bork then tried to abolish retroactively the office altogether, an act Judge Gesell described as "simply a ruse."

For Richard Nixon's part in these disreputable events, he was driven from office after being recommended for impeachment by the House Judiciary Committee. Referring to the firing of Cox in article III of its impeachment resolution, the Judiciary Committee said of Nixon: "In disregard of the rule of law, he knowingly misused the executive power." How bizarre that 14 years later Nixon's chief accomplice in the "massacre" is recommended for the highest judicial office our Nation has to offer.

At a time when the Nation celebrates its 200-year-old commitment to the Rules of Law, President Reagan wishes to place upon our highest court the man who executed one of the most arrogantly lawless acts in the Nation's history. To place this man among the ranks of the defenders of our Constitution is the equivalent of installing one of the foxes among the guardians of the chicken coop.

CONGRESS ATTEMPTS TO USURP PRESIDENT'S FOREIGN POLICY AUTHORITY

HON. DONALD E. "BUZ" LUKENS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. LUKENS. Mr. Speaker, as a member of the Africa Subcommittee of the Foreign Affairs Committee I am very disturbed when Congress tries to usurp the President's constitutional authority and responsibility for foreign policy.

A glaring example of this occurred in our committee last year in its promotion of the 1986 Comprehensive Anti-Apartheid Act. The law, passed in response to domestic interest groups rather than our country's national defense, overlooks the impact of punitive economic sanctions on the black majority of Namibia. Since June 1985, Namibia has had a black majority democracy. At that time a multi-party conference of Namibia's chosen political leaders negotiated a peaceful transfer of power from South Africa. That country now has an eight-member Cabinet of which only two are white. All apartheid laws have been abolished, and civil and minority rights are guaranteed in a bill of rights.

None the less, Congress is imposing economic sanctions on Namibia. How can we expect the American people to pay taxes to support a Congress that acts so blindly or irrationally?

Namibia is a principal target of SWAPO, a Soviet-financed terrorist group based in southern Angola along Namibia's northern border. Some 37,000 Cuban combat troops in Angola support SWAPO's campaign to seize control of Namibia.

Jeanne Kirkpatrick, while U.S. Ambassador to the United Nations, stated the Reagan administration's position in this way:

Our principle goal . . . is independence for Namibia. * * * Namibia has the largest known uranium deposits in the world * * * a second goal we have is to prevent this mineral-rich territory from being permitted to slide into the Soviet sphere of influence, which has markedly expanded in Africa. A related strategic goal is to keep the vital waterways around Namibia out of hostile hands * * * Our goals are complicated by the presence of more than 30,000 Cuban troops in neighboring Angola." (Ambassador Jeanne Kirkpatrick, "The Reagan Phenomenon—And Other Speeches on Foreign Policy," American Enterprise Institute for Public Policy Research, Washington, and London, 1981, page 155.)

It is time for Congress to act sensibly on Namibia and encourage that country, not punish it. I am preparing legislation to accomplish that and support the Reagan doctrine of turning back the tide of Soviet expansion at Namibia's northern border. In the meantime, I and some of my colleagues have commenced litigation in the U.S. District Court for the District of Columbia to challenge congressional usurpation of President Reagan's policy opposing punitive economic sanctions. Not only do sanctions hurt blacks in sub-Saharan Africa, they cost U.S. workers jobs in export and import industries, block tourism and in-

vestment opportunities and other business relations of great benefit to Americans. I am enclosing the following excerpts from our complaint in the lawsuit:

[In the United States District Court for the District of Columbia]

U.S. SENATOR JESSE HELMS, 403 Dirksen Senate Office Building, Washington, DC 20510; and CONGRESSMAN DONALD E. LUKENS, U.S. House of Representatives, 117 Cannon House Office Building, Washington, DC 20510, et al. PLAINTIFFS, v. U.S. SECRETARY OF THE TREASURY, Room 330, 15th St. and Pennsylvania Ave., NW, Washington, DC 20220; and, U.S. SECRETARY OF STATE, 7th Floor, 2201 C Street, NW, Washington, DC 20520, DEFENDANTS

COMPLAINT FOR DECLARATORY JUDGMENT

For their complaint against defendants, plaintiffs allege as follows:

On October 2, 1986 the United States Congress enacted Public Law 99-440, with the stated goal of using the economic power of the United States to compel Namibia and South Africa to change their forms of government to what the Statute, without any reasonable definition or standards, refers to as a "non-racial, democratic form of government," an esoteric, arbitrary term which men of ordinary understanding cannot comprehend and which the peoples of Namibia and South Africa cannot sufficiently understand in order to comply.

On November 19, 1986, the Treasury Department promulgated regulations, purportedly under Section 3(6)(B) of Public Law 99-440, which provide, in pertinent part: "The term 'South Africa' includes . . . any territory (including Namibia) under the administration, legal or illegal, of South Africa . . ." (31 C.F.R. Sect. 545.312). Such regulations were promulgated without any hearing.

Regulations promulgated by defendant State Department purport to prohibit importation into the U.S. of any article grown, produced, manufactured by, marketed, or otherwise exported by parastatal organizations of Namibia or South Africa, and names among others, various organizations in Namibia such as Land and Agricultural Bank of South West Africa; National Building and Investment Corp. (South West Africa); Rehoboth Finance and Development Corp. Ltd.; Southern Oil Exploration Corp. (South West Africa) (Pty) Ltd.; South West Africa Broadcasting Corp.; South West Africa Karakul Corp.; and South West Africa Water and Electricity Corp. (Pty) Ltd. Such regulations were promulgated without hearing.

Namibia, formerly known as South West Africa, is a self-governing territory about twice the size of California with an estimated population of 1.1 million persons, 92 percent non-white, comprised of 11 major population or ethnic groups who speak at least 8 languages and 29 dialects, and which range in socioeconomic development from nomadic tribesmen to sophisticated professional, business, and political leaders educated at and holding numerous graduate degrees from major universities throughout the world.

Namibia has the largest uranium mine in the world, produces half the karakul (Persian lamb) fur in the world, has one of the world's most extensive gem diamond mining operations, as well as significant cattle and fishing industries and substantial gas reserves.

On June 17, 1985 the Republic of South Africa by Proclamation No. R. 101, trans-

ferred all authority for the administration and day-to-day government of Namibia from its Administrator-General to a multi-party conference of Namibian political leaders who represent their various population and political groups pending a U.N. supervised election pursuant to U.N. Resolution 435.

In Namibia all political prisoners have been released and all apartheid laws have been abolished. Proclamation No. R. 101 of June 17, 1985, promulgated by South Africa at the request of Namibia's chosen political leaders, transfers to Namibia's National Assembly the power to enact or repeal any internal law and repeal any internal law previously adopted by South Africa.

Proclamation No. R. 101 includes a bill of fundamental rights negotiated by Namibia's leaders, expressly providing for a non-racial, democratic form of government. The people of Namibia, to the maximum of their ability, have established a non-racial, democratic form of government which meets the stated purpose of P.L. 99-440.

Plaintiffs allege that Public Law 99-440 imposes certain punitive economic sanctions including prohibiting Krugerrand and other South African gold coin imports, importation of products grown, produced, manufactured, marketed or otherwise exported by Namibian and South African parastatal organizations, prohibiting loans to the governments of Namibia and South Africa, prohibiting the importation of Namibian and South African agricultural products and articles suitable for human consumption, prohibiting Namibian and South African iron ore and iron and steel imports; and prohibiting importation of Namibian and South African sugars, syrups, and molasses, all aimed at "punishing" the peoples of Namibia and South Africa into forcing their governments to change to some structure agreeable to the U.S. politicians, or to force the governments themselves of those countries to undertake such actions.

Plaintiffs allege that authority delegated to the U.S. Congress in Article I of the U.S. Constitution does not empower the U.S. Congress to violate the separation of powers principle and usurp the President's exclusive constitutional responsibility in the field of foreign affairs in order to use U.S. economic power to force other countries to change their forms of government.

Plaintiffs allege that defendants have acted in an arbitrary, capricious and unlawful manner without any hearing or evidence and without compliance with the Administrative Procedure Act to prohibit private sector trade between Namibia and the United States on the unlawful assumption that the U.S. Congress can force South Africa to change its form of government, and that the people of Namibia have power to force such a change.

Plaintiffs allege that defendants have no power to deny to the people of the Namibia their fundamental, natural and God-given right to choose their own form of local self-government and method of choosing political leaders empowered to administer the government.

Wherefore, the premises considered, plaintiffs request that this Court enter judgment declaring that defendants's regulations under Section 3(6)(B) of Public Law 99-440, to the extent they impose punitive sanctions on Namibia, be adjudged in violation of the U.S. Constitution, and/or in violation of U.S. treaty obligations, the U.N. Charter and U.N. Resolution 2131 (xx), and/or in violation of the historically accepted common law of international rela-

tions and comity governing the fundamental and God-given natural, fundamental and sovereign rights of the people of Namibia to establish their own form of government, and that the defendants be restrained from including Namibia in the sanctions set forth in Public Law 99-440, and further declaring that defendants have no authority under the Constitution (1) to deprive the Congressional plaintiffs of their right to vote on the status and compliance by Namibia with P.L. 99-440, (2) or deprive the commercial plaintiffs of their Fifth Amendment right to engage in business, (3) or usurp the President's exclusive authority over U.S. foreign relations, (4) or use the private sector economic power of the U.S. to bludgeon the people and public officials of Namibia or South Africa into changing the form of their government to meet arbitrary self-serving standards legislated by the defendants in their regulations and by the U.S. Congress.

STEVE SINGER—AN INTERNATIONAL PUBLIC SERVANT

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. HALL of Ohio. Mr. Speaker, in recent years international interest has begun to focus on the plight of the poor and hungry in the developing world. Much attention has been directed to those who have learned about these challenges and have encouraged others to commit their energy and financial resources toward addressing them.

But there are other individuals, sometimes not as well known, who have been working for years both here and in the field to improve directly the lives of the poorest of the poor. Such an individual was Steve Singer.

Steve Singer died on July 31, 1987, after a fight with cancer. I am honored by the fact that Steve was working as a congressional fellow in my Washington office at the time of his death.

Steve Singer was an employee of the Agency for International Development. He was a congressional fellow in my office prior to a planned sabbatical year at Harvard University.

Steve's greatest contributions were realized during his many years of service both overseas and in Washington with AID. Nevertheless, his decision to spend a few months as a congressional fellow and the type of work he was performing at the time of his death say much about the quality and depth of his commitment to the world's needy.

There are many things Steve could have done with the time he had before his scheduled year of study and writing. He chose to devote this period to learning about the operations of Congress and to helping the Congress to learn about AID's food assistance programs.

The bottom line for Steve always was to improve the quality of life for the world's poorest citizens. His special contribution was to use his great talent and knowledge to apply effectively the resources of AID to achieve this objective.

Yet Steve knew that the work of AID was just one part of the picture. He realized that

other entities, such as the private voluntary organizations, the World Bank, and the U.S. Congress also had vital functions to perform in aiding the poorest people on the planet. Steve sought to lend his expertise to making others as effective as possible in realizing their own potential in this effort.

In his time as a congressional fellow, Steve Singer was a tremendous asset to me in my service as chairman of the International Task Force of the House Select Committee on Hunger. He spent considerable time briefing the Hunger Committee staff, my personal staff, and me directly on the ways that Congress could help AID and other groups working to fight world hunger and poverty. He was the driving force behind the hearing conducted by the International Task Force on enhancing the developmental impact of food aid. The insight and experience he shared made this hearing successful.

Steve saw that congressional initiatives could complement the work of AID. He had the rare gift of being able to step back from his own highly detailed and specialized work to see the bigger picture. With educated objectivity, he could advise others about the best means at their disposal to contribute to hunger relief and development work.

Drawing on his years of experience and collegial contacts, Steve was able to craft recommendations for the Congress to pursue in order to encourage increased World Bank lending activities targeted to the poorest of the poor in the lesser developed countries. The legacy of his work in this regard will be an ongoing international dialog that will bring over time many real improvements in the quality of life for the world's poorest people.

Steve quietly dedicated his life to helping the neediest people on the Earth. He chose to use his keen, analytical mind to help those in the greatest need. In the truest sense of the term, he was an international public servant.

Despite the successes he had achieved in his lifetime of service, Steve Singer was impatient about making life better for the least fortunate human beings. While he acknowledged that progress was being made, he was concerned that it was coming too slowly. As he wrote to me in a memo, "There is a lack of boldness in attacking the poverty issue that its seriousness and urgency does not permit." I believe he felt obligated to encourage others in a position of influence to respond to the challenges he saw.

I am sure that Steve would be embarrassed by any kind of tribute to him personally and to his work. In his view, service and commitment were nothing unusual—they were expected. It was characteristic that he handled his illness, just as his work, with confidence and courage. Putting his hand to the plow, he never looked back.

It is always a tragedy when the world loses a talented, dedicated young person. All the more so, when that individual seems so clearly to be at the right time and the right place to make the most effective contributions.

The inspiration of Steve Singer's example is that the seemingly overwhelming challenges of world hunger and poverty can be overcome with knowledge, service, and commitment. We

cannot replace Steve Singer; we can only draw from his courage to continue his work.

OPPOSE GASOLINE TAX INCREASE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. ANDERSON. Mr. Speaker, 71 of our colleagues have now cosponsored House Resolution 225, expressing the sense of the House that the Nation's gasoline and diesel taxes shall not be increased for deficit reduction purposes.

While there can be no question that the Nation's deficit must be reduced, I have no question that our motor fuels taxes must not be increased to help meet this goal. There are three primary reasons that the gasoline and diesel taxes must not be increased. They are regressive, such an increase would severely damage the Nation's economy, and it would devastate the country's transportation network.

That a motor fuels tax increase would be regressive is self-evident. Of course, most consumer taxes are regressive. And while this alone should be of great concern, I would suggest that a regressive tax is particularly worthy of opposition when it is on such a necessary commodity. Gasoline, in today's society is not a luxury. Over two-thirds of all auto travel is nonelective. Do we want to tax lower and moderate-income families at a higher rate than our wealthiest families on this vital commodity? The answer should be clear.

Of course, a gasoline tax increase would be unfair not only to low- and moderate-income Americans, it is bad for the entire country. According to an analysis prepared by Wharton Econometrics, compared to generating comparable amounts from an oil import fee, an income tax surcharge, a corporate tax increase, or a tobacco tax increase, a gasoline tax increase would have the greatest negative impact on unemployment and our gross national product. It would also have a greater inflationary impact on the economy than any of these except an oil import fee, the inflationary impact of which would be similar to that of a gasoline tax increase.

So, any American who is worried about unemployment, worried about inflation, or worried about a recession, needs to be worried about the possibility of a motor fuels tax increase.

Finally, any of our colleagues who share our concerns regarding the need for a sound transportation network must also be concerned about a gasoline and diesel fuels tax increase. Such an increase, if used for deficit reduction purposes, would reduce revenues generated for the Federal highway trust fund. Highway and public transit spending in this country is already far below documented needs. A Federal motor fuels tax increase would inhibit the ability of States and cities to fill the void created by our Federal funding shortfall by making it more difficult for them to raise their own highway user fees, as was considered by 27 States in 1986 alone.

EXTENSIONS OF REMARKS

Mr. Speaker, 71 of our colleagues understand that motor fuels taxes must be increased for deficit reduction purposes; that the responsibility for reducing the deficit has absolutely nothing to do with the number of miles we drive.

Mr. Speaker, I urge all our colleagues to join the 71 who have cosponsored House Resolution 225. I submit for the RECORD those who have already cosponsored this resolution.

Mr. Anderson, Mr. Howard, Mr. Hammer-schmidt, Mr. Shuster, Mr. Akaka, Mr. Applegate, Mr. Ballenger, Mr. Barton of Texas, Mr. Bilbray, Mr. Boehlert, Mr. Borski, Mr. Bunning, Mr. Carr, Mr. Chapman, Mr. Clinger, Mr. Courter, Mr. Craig, Mr. Daub, Mr. DeFazio, Mr. DeLay, Mr. de Lugo, Mr. Dornan, Mr. Dymally, Mr. English, Mr. Fassel,

Mr. Gallo, Mr. Garcia, Mr. Gordon, Mr. Grant, Mr. Gray of Illinois, Mr. Hastert, Mr. Hayes of Illinois, Mr. Hefner, Mr. Henry, Mr. Inhofe, Mr. Jeffords, Mr. Jones of North Carolina, Mr. Kasich, Mr. Kolter, Mr. Lagomarsino, Mr. Lancaster, Mr. Latta, Mr. Lightfoot, Mr. Donald Lukens, Mr. Mack, Mr. Martin of New York, Mr. McEwen, Mr. Mineta, Mr. Neal, Mr. Nielsen,

Mr. Nowak, Mr. Oberstar, Mr. Oxley, Mr. Packard, Mr. Perkins, Mr. Rahall, Mr. Ravenel, Mr. Savage, Mr. Shaw, Mr. Smith of New Hampshire, Mr. Smith of Florida, Mrs. Smith of Nebraska, Mr. Stangeland, Mr. Stump, Mr. Tallon, Mr. Towns, Mr. Upton, Mr. Valentine, Mr. Whittaker, Mr. Wise, Mr. Wortley.

WINE GRAPE INDUSTRY NEEDS NO ADDED TAX

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. HOUGHTON. Mr. Speaker, one of the key agricultural commodities produced in my district is wine grapes. They are grown beside the beautiful lakes of upstate New York.

The district I represent has more farmers producing grapes than any other congressional district east of California. These growers produce an average of 25 acres of grapes a year in their vineyards. This is, as you know, labor intensive work. It is done mostly by farm families who work side-by-side, earning their living—without subsidies from the Federal Government.

For the past 4 years, according to the New York State Crop Reporting Service, grape-growers have received less and less for their product. Their prices have been: 1982, \$217 per ton of grapes; 1983, \$187 per ton of grapes; 1984, \$174 per ton of grapes; and 1985, \$139 per ton of grapes.

Despite the decline in prices, these men and women have told me their economic future looks brighter than it has for several years. But that, of course, was before talk began of increases in Federal excise taxes.

At the present time, each gallon of wine is assessed a 17-cent tax. Some recent proposals suggest this tax could soar to 84 cents per gallon.

If one passes this increase back to the winery, it would add huge pressure to an industry already facing problems stemming from over capacity. If passed forward to consumers, the tax inevitably will reduce wine sales and force industry cutbacks. Considering the industry's links to other sectors of the economy, this scale-back would cost the Government more than the original increase in revenue would produce.

For example, passed on to the consumer, the increased tax equals an additional cost of \$115 per ton of grapes or two-thirds the average price received by growers in New York State during the past 4 years. Producers are simply not capable of swallowing the full burden of this proposed tax. So what happens: The cost of wine would skyrocket and sales would drop. Period.

Estimates by the U.S. Department of Agriculture suggest the new tax would cause a \$90 million drop in grape sales and a \$175 million reduction in the sale of wine. Looking at the bigger picture, a loss in winery sales of this magnitude would reduce overall activity in the economy by \$560 million. Combined losses could total \$650 million. An increased tax as suggested would produce about \$350 million in new revenue. Hardly an even trade.

So, Mr. Speaker, the message is this: Increasing taxes on wine is a bad idea. It unfairly burdens the consumer. It harms the grape-grower. New York grapegrowers want to tend their vineyards, produce and harvest their grapes. They simply want to continue their work. Why not give them that opportunity? I urge that the Congress not increase excise taxes on wine. Please leave the grapegrowers alone. They ask no subsidies. They are what this country is all about.

FARMLAND FADING UNDER CITY SPRAWL

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. KOSTMAYER. Mr. Speaker, as the report of the President's Commission on Americans Outdoors noted, we are losing about 1.4 million acres of open land a year in the United States.

The loss of open land and green space threatens the quality of life in America.

The administration's failure to heed its own report must be countered by strong congressional action.

I urge my colleagues to read the following news article from the New York Times of July 15, 1987.

[From The New York Times, July 15, 1987]

FARMLAND FADING UNDER CITY SPRAWL—AGRICULTURE DEPT. SAYS CHANGE "MAY HAVE AN ENORMOUS EFFECT AT LOCAL LEVEL"

WASHINGTON, July 14 (AP)—City sprawl, highways and other nonagricultural uses are taking American farmland at an annual rate that could involve acreage equal to the entire State of Missouri by the year 2030, according to a report by the Department of Agriculture.

Erosion, salt pollution in irrigation areas of the West and reduced vegetation on livestock ranges are other threats to the country's agricultural machine, department experts said in a draft report opened Monday for public review and comment.

The nation's total non-Federal rural land area, not counting Alaska, is more than 1.4 billion acres, which includes 421.4 million acres of cropland, 133.3 million acres of pastureland and 405.9 million acres of rangeland, based on the department's 1982 National Resources Inventory, the most recent available.

About 1.5 million acres are converted to nonagricultural uses each year, the report said. Sixty-four percent is cropland.

"ENORMOUS EFFECT AT LOCAL LEVEL"

"Assuming the current rate of conversion continued, the cropland base would be reduced by nearly 48 million acres, or 12 percent, between 1982 and 2030," the report said. "Changes in land use may have an enormous effect at the local level without becoming a problem that requires specific action at the national level."

The report said soil erosion caused by the wearing-away action of water and wind was reducing the productivity of some soils. In 1982, water erosion moved more than 3.4 billion tons of soil on non-Federal rural land and wind moved 2 billion tons.

"More than 286 million acres of non-Federal land are eroding at rates greater than the soil tolerance—that is, the rate at which sustained economic production is assured," the report said.

According to a new computer analysis cited in the report, 100 years of water and wind erosion under 1982 management conditions would reduce United States productive capacity 1.9 percent. The report said that would be "the equivalent of losing production worth \$9 billion at 1980 prices."

George S. Dunlop, Assistant Secretary for natural resource and environment, said the report's value was in its identification of "the status and condition of our soil and water resources" so those resources could be conserved and protected.

U.S. CAN MEET FOOD DEMANDS

"Despite the fact that the report identifies some resources conservation problems, its findings show that the United States can meet food production demands for the foreseeable future," Mr. Dunlop said.

But some private conservationists are less optimistic. They contend that the Agriculture Department's projections in the past have sometimes missed the mark by wide margins.

Robert J. Gray, policy director for the American Farmland Trust, said the report's projections for the year 2030 probably were "a little rosier than reality."

The draft report is the second required by the Soil and Water Resources Conservation Act of 1977, which seeks appraisals of the national situation every 10 years. The first was published in 1980 after extended research and public comments.

Mr. Gray said that since the first appraisal, a good start had been made on getting marginal land out of crop production under the long-term Conservation Reserve Program, which is aimed at retiring 45 million acres of highly erodible land for 10-year periods. About 18 million acres have been signed up for the program.

"But we still don't know how good a job farmers are going to do on compliance," Mr. Gray said in an interview.

He also said that farm productivity had leveled off, a point that he said was masked somewhat in the 1970's by millions of acres that were brought into production as exports expanded dramatically and demand was overestimated.

"I'm not quite as optimistic as they are, and I think they tend to be somewhat overly optimistic in their projections," Mr. Gray said.

Under the department's projected "intermediate" conditions, the amounts of cropland and irrigation water are expected to be adequate but would "decline significantly by the year 2000 and level off after that date," the report said.

218 MILLIONS ACRES BY 2030

In 2030, it said, demands for food and fiber could be met on 218 millions acres of cropland, 30 millions of which would be irrigated.

"The decrease in projected land and water requirements results from the projection that yields per acre would double by 2030 and that the efficiency of livestock feed use would more than double," the report said.

Under the department's "high-stress" conditions reflecting reduced availability of agricultural resources, larger export demand and reduced technology, all available cropland would have to be used, with the exception of the land in the Conservation Reserve Program, the report said.

Mr. Gray said he might expect the actual development of United States agriculture to be "somewhere in between" the intermediate and high-stress projections.

The draft report will be open to public comment for 60 days. Copies are available for review at local offices of the department's Soil Conservation Service and the Agricultural Stabilization and Conservation Service, officials said.

TRIBUTE TO EVELYN DUBROW

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. FISH. Mr. Speaker, lobbyists are common in the Halls of Congress. That is, except for Evelyn Dubrow. Evelyn is a long-time friend and an invaluable source of information for Members and has been for me during my 19 years as a Representative. Succinct, articulate, and always charming, she makes it virtually impossible to disagree with her.

A graduate of New York University, Evelyn earned a degree in journalism in the late 1930's and began her career as a secretary in the Textile Workers Union in New Jersey. Evelyn emerged as a strong member of the Democratic Party, serving as New York State director of the Americans for Democratic Action in 1948. Even a Republican has to admire her dedication and limitless energy on behalf of the Democratic Party.

Evelyn's focus then turned to the cause of labor. In 1956, she joined the International Ladies Garment Workers Union, and 2 years later was sent by I.L.G.W.U. to work in Washington. Her rare talent has served that organization well.

I have met with Evelyn on numerous occasions to discuss a wide range of issues in addition to trade and the plight of U.S. textile

workers such as housing discrimination and discrimination in federally-financed programs. She brings a fresh outlook and I always welcome her suggestions.

Height always seems to find its way into a conversation about Evelyn. Her 4-foot 11-inch frame can be very deceptive. One might think she would get lost in a crowd, but the truth of the matter is, Evelyn is the crowd. She commands attention with her wit and knowledge of the issues. At 6-foot 3-inches, I am upstaged by this petite lady with the charismatic personality. Sincerity, competence, and dedication are her trademark. To me, Evelyn is not just a lobbyist, she is a dear friend.

There follows a recent New York Times profile which I comment to my colleagues.

[From the New York Times, July 27, 1987]

A CAPITOL HILL LOBBYIST EVERYONE LOVES

WASHINGTON, July 26—One person on Capitol Hill gets to share the Congressional doorkeepers' chairs outside the House of Representatives chambers, a good spot to catch the eye of an arriving or departing member of Congress.

Evelyn Dubrow and no one else.

No one protests. This 4-foot 11-inch lobbyist for the International Ladies Garment Workers Union who began roaming the halls of Congress 29 years ago seeking support for a \$1 minimum wage, and who still troops Capitol Hill in her size 4 shoes, has earned the privilege. Besides, explains a staff member in the doorkeeper's office, "Everyone loves Evy."

Everyone knows Evy. Senators. Representatives. Aides. Receptionists. The Capitol Police. In fact, the former Speaker of the House, Thomas P. O'Neill, Jr., the man who asked the doorkeepers to give her their seats, still keeps in touch with her.

Ms. Dubrow has been on Capitol Hill longer than most other lobbyists and most members of Congress. She will not, under any circumstance, say how old she is, only: "I will admit to being a senior citizen." She still works 15-hour days, still attends as many as a half-dozen political receptions in a night, still managed to meet with 30 senators on a recent day and still declares she is never going to give up lobbying "as long as I can stay on my feet and as long as my head is somewhat in the right place."

HER CAUSES AND OTHER TASKS

At the moment her causes are a bill to broaden laws against housing discrimination, legislation to bar discrimination in federally financed programs and, especially, a provision of the trade bill that would help protect the country's textile, apparel, shoe and copper industries from unfair competition by imports.

But other tasks come up. Take July 17 for instance. "I heard that Orrin Hatch, who is a very nice gentleman but who couldn't disagree more with me on our legislative program, was going to introduce a bill that I knew would be very harmful not only to our union but a number of other unions," Ms. Dubrow said. The bill would have lifted 44-year-old restrictions that prohibit employers from hiring workers to work in their homes. That would allow employers to escape paying benefits and minimum wages. Ms. Dubrow marched up to Capitol Hill to do something about it.

"I started with the leadership," she recalled. She talked with the Democratic leader, Senator Robert C. Byrd of West Virginia. "I then proceeded to see as many

members of the Senate as I could, indicating to them that if this did come up I hoped there would be a move to table it or defeat it."

She will not know the fruit of her efforts for some time, but she bets she saw at least 30 senators that day.

When she talks to all these senators, this tiny woman with soft curls and light blue eyeshadow says she remembers one thing, which she likes to pass on. "The one caveat I would give to new lobbyists is don't pretend you know all the answers," she said. "Don't wing it. You better know what you're talking about. If you lie, they'll find you out."

Her voice is throaty, her tone serious, her manner charming, her politics liberal and her commitment unyielding. She is known for her diligence, her friendliness—and her height.

"She's my idol; I want to be just like her," said Sterling J. Henry, a 28-year-old, 6-foot 2-inch lobbyist for the National Association for the Advancement of Colored People.

"I once saw Senator Simpson, who must be 6-5 or 6-6, talking to her," Mr. Henry said. "The man looked up to her! You could see the respect."

"She's not confrontational," he went on. "She doesn't talk to senators or Congress persons like they're a little prima donna; she talks to them as a friend."

If asked why she became involved in labor and politics, Ms. Dubrow invariably points out that she was the daughter of a union man and the younger sister of a suffragette.

She was born in Passaic, N.J., earned a degree in journalism at New York University in the late 1930's and began her career in the labor movement working as a secretary in the Textile Workers Union in New Jersey. She went to Washington briefly in 1947 to help organize Americans for Democratic Action, a liberal organization that to this day espouses traditional New Deal values.

A REVERENCE FOR CONGRESS

She returned to New Jersey the next year to do political organizing for unions. After the 1948 election she was named New York State director for the A.D.A. In 1956, seeking to return to the labor movement, she joined the International Ladies Garment Workers Union, and in 1958, when the union decided to open a Washington office, the leaders asked Ms. Dubrow to go to the capital and work as a lobbyist.

Through the years she has developed almost a reverence for the institution of Congress. "The one thing I have is a respect for the office," she said. "I might not agree or even like the occupant of the particular office, but I've always respected and been courteous for that reason. I don't go around threatening members of Congress that if they don't vote with me they're going to be defeated or anything like that; I don't believe in it."

Likewise, she believes in her profession. "A lot of members will say, 'I owe you a vote Evy,' or 'You're a good friend.' But I would never ask them to give me a vote on that basis. I like to think that when I'm asking for their vote it's because I really have a case. Now it doesn't mean I'm not delighted if they think they'd do it for me because they personally like me. That's great; that's gravy. But that to me is not what lobbying is about."

"Lobbying," Ms. Dubrow said, "is presenting your case and proving it."

EVELYN DUBROW: A CAPITOL HILL LOBBYIST EVERYONE LOVES

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MANTON. Mr. Speaker, all of our colleagues have been lobbied by some of the best lobbyists in the country. While there are many good lobbyists in Washington, in my opinion none is better than Evelyn Dubrow.

Evy began lobbying for the International Ladies Garment Workers more than 29 years ago. When she first came to Capitol Hill, she worked for a minimum wage law. Since then, she has been at the forefront of every major legislative effort to improve the lives of working men and women in America. She has been a friend and ally to many of us in Congress. She has also proven to be a worthy and respected adversary for those who do not agree with her position.

Last week, the New York Times profiled Evy in its Washington talk section. The article, which is entitled "A Capitol Hill Lobbyist Everyone Loves," details the admiration and respect that all of us have for this wonderful woman.

Mr. Speaker, the praise contained in this piece is long overdue. I would like to take this opportunity to congratulate Evy for her 29 years of hard work on Capitol Hill. I know my colleagues join me in looking forward to continuing to work with Evy in the years ahead.

Mr. Speaker, I submit the New York Times article for the RECORD:

A CAPITOL HILL LOBBYIST EVERYONE LOVES

WASHINGTON, July 26.—One person on Capitol Hill gets to share the Congressional doorkeepers' chairs outside the House of Representatives chambers, a good spot to catch the eye of an arriving or departing member of Congress.

Evelyn Dubrow and no one else.

No one protests. This 4-foot 11-inch lobbyist for the International Ladies Garment Workers Union who began roaming the halls of Congress 29 years ago seeking support for a \$1 minimum wage, and who still troops Capitol Hill in her size 4 shoes, has earned the privilege. Besides, explains a staff member in the doorkeeper's office, "Everyone loves Evy."

Everyone knows Evy. Senators. Representatives. Aides. Receptionists. The Capitol Police. In fact, the former Speaker of the House, Thomas P. O'Neill, Jr., the man who asked the doorkeepers to give her their seats, still keeps in touch with her.

Ms. Dubrow has been on Capitol Hill longer than most other lobbyists and most members of Congress. She will not, under any circumstance, say how old she is, only: "I will admit to being a senior citizen." She still works 15-hour days, still attends as many as a half-dozen political receptions in a night, still managed to meet with 30 senators on a recent day and still declares she is never going to give up lobbying "as long as I can stay on my feet and as long as my head is somewhat in the right place."

HER CAUSES AND OTHER TASKS

At the moment her causes are a bill to broaden laws against housing discrimination, legislation to bar discrimination in fed-

erally financed programs and, especially, a provision of the trade bill that would help protect the country's textile, apparel, shoe and copper industries from unfair competition by imports.

But other tasks come up. Take July 17 for instance. "I heard that Orrin Hatch, who is a very nice gentleman but who couldn't disagree more with me on our legislative program, was going to introduce a bill that I knew would be very harmful not only to our union but a number of other unions," Ms. Dubrow said. The bill would have lifted 44-year-old restrictions that prohibit employers from hiring workers to work in their homes. That would allow employers to escape paying benefits and minimum wages. Ms. Dubrow marched up to Capitol Hill to do something about it.

"I started with the leadership," she recalled. She talked with the Democratic leader, Senator Robert C. Byrd of West Virginia. "I then proceeded to see as many members of the Senate as I could, indicating to them that if this did come up I hoped there would be a move to table it or defeat it."

She will not know the fruit of her efforts for some time, but she bets she saw at least 30 senators that day.

When she talks to all these senators, this tiny woman with soft curls and light blue eyeshadow says she remembers one thing, which she likes to pass on. "The one caveat I would give to new lobbyists is don't pretend you know all the answers," she said. "Don't wing it. You better know what you're talking about. If you lie, they'll find you out."

Her voice is throaty, her tone serious, her manner charming, her politics liberal and her commitment unyielding. She is known for her diligence, her friendliness—and her height.

"She's my idol; I want to be just like her," said Sterling J. Henry, a 28-year-old, 6-foot 2-inch lobbyist for the National Association for the Advancement of Colored People.

"I once saw Senator Simpson, who must be 6-5 or 6-6, talking to her," Mr. Henry said. "The man looked up to her! You could see the respect."

"She's not confrontational," he went on. "She doesn't talk to senators or Congress persons like they're a little prima donna; she talks to them as a friend."

If asked why she became involved in labor and politics, Ms. Dubrow invariably points out that she was the daughter of a union man and the younger sister of a suffragette.

She was born in Passaic, N.J., earned a degree in journalism at New York University in the late 1930's and began her career in the labor movement working as a secretary in the Textile Workers Union in New Jersey. She went to Washington briefly in 1947 to help organize Americans for Democratic Action, a liberal organization that to this day espouses traditional New Deal values.

A REVERENCE FOR CONGRESS

She returned to New Jersey the next year to do political organizing for unions. After the 1948 election she was named New York State director for the A.D.A. In 1956, seeking to return to the labor movement, she joined the International Ladies Garment Workers Union, and in 1958, when the union decided to open a Washington office, the leaders asked Ms. Dubrow to go to the capital and work as a lobbyist.

Through the years she has developed almost a reverence for the institution of

Congress. "The one thing I have is a respect for the office," she said. I might not agree or even like the occupant of the particular office, but I've always respected and been courteous for that reason. I don't go around threatening members of Congress that if they don't vote with me they're going to be defeated or anything like that; I don't believe in it."

Likewise, she believes in her profession. "A lot of members will say, 'I owe you a vote Evy,' or 'You're a good friend.' But I would never ask them to give me a vote on that basis. I like to think that when I'm asking for their vote it's because I really have a case. Now it doesn't mean I'm not delighted if they think they'd do it for me because they personally like me. That's great; that's gravy. But that to me is not what lobbying is about."

"Lobbying," Ms. Dubrow said, "is presenting your case and proving it."

SCIENTIFIC DATA AND WHALING

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. DYMALLY. Mr. Speaker, last month I addressed the 39th annual meeting of the International Whaling Commission. My speech discussed my concerns about the collection of scientific data in order to determine future policy on whaling. The following is the full text of my speech which I want to include in the RECORD in order to bring it to the attention of my colleagues because this is an important issue.

Mr. Chairman, distinguished representatives of the International Whaling Commission (IWC), I am attending this meeting as a member of the Committee on Foreign Affairs of the United States House of Representatives.

This is the fourth Commission meeting I have attended because I am deeply concerned over strong indications that a small but well organized group of individuals may be unduly influencing decisions that should otherwise be made on the basis of science, reason and objectivity. This interference in the process of developing sound and effective programs for whale conservation and management threatens to undermine all efforts to conserve and utilize natural resources for the benefit of mankind. But the consequences go far beyond that. If the decisions arrived at here are not well grounded in science, if they are not reasonable, even-handed and fair, if they do not reflect the provisions of the international treaty under which this Commission is constituted, then it undermines the trust and confidence that nations have to enter into any international treaty agreements.

As we have seen in the past, the consequences of actions taken here have ramifications that go well beyond the conservation and management of whales. Unscientific, unreasonable and unfair decisions can severely damage otherwise friendly relations between nations. It can have economic consequences damaging to countries on both sides of the issues. The prospect of such decisions arising out of this meeting threatens mutual security arrangements and may also lead to the demise of the IWC itself.

Unfortunately, we in the United States have also been exposed to the pressure of

individuals who want to make their particular ideology the official policy of our nation. And, sad to say, they succeeded in some areas because the people of the United States are uninterested in this area or unaware of the consequences. This situation has placed us in the position of interfering not just in the affairs of sovereign nations but in the abridgement of rights granted to such nations by international treaties. This situation must stop. Every nation in the world is entitled to seek its own destiny without being threatened by a more powerful force, as long as that nation does not harm another.

Despite the fact that anti-whaling organizations have managed to insinuate their ideology into U.S. government policy, I can assure you that many Americans approve of the utilization of whales as a food resource. In its national survey of American attitudes towards wildlife, the U.S. Department of the Interior found that 77 percent of all Americans approve of whaling provided that the whales are taken for useful products and are not threatened by extinction. In addition, the anti-whaling groups in the United States, despite intensive lobbying, have failed to get Congress to pass a concurrent resolution against whaling for the past six years.

Our Supreme Court, too, last summer rejected the notion that the United States had to impose sanctions against Japan for exercising its right to object to the moratorium and continuing to take whales under scientifically determined quotas. The Supreme Court's decision made clear that the continued taking of whales in the face of a moratorium by nations legally exempted from it by the objection provision of the international whale conservation convention did not in itself "diminish the effectiveness" of the conservation convention. Quoting from the legislative history, the Court pointed out that "the trade or taking (of whales) must be serious enough to warrant the finding that the effectiveness of the international program has been diminished."

This year, the IWC is being pressured to put a stop to the taking of whales for scientific research programs. This could very well destroy the continuity of data needed to show trends in the population growth of various stocks and prevent the accumulation of data necessary for more accurate calculation of whale populations. This is an unfortunate reversal of the position of the anti-whaling groups. Since 1980, having failed to convince the Commission that the continued take of a small number of whales from stocks known to be abundant would drive the 3,000,000 whales in this world to extinction, the anti-whaling groups insisted that a moratorium was needed to allow scientists to collect better data, unbiased by the commercial whaler's take of large whales.

In 1982, in fact, one of my esteemed colleagues in Congress, a supporter of anti-whaling causes, wrote that among the reasons that the U.S. supported the moratorium was that: (1) "assessments of the status of most whale stocks are based upon an inadequate data base;" and (2) "the (IWC) Scientific Committee is prevented from providing satisfactory confidence intervals for the catch limits and stock classifications it recommends by inadequate data."

Greenpeace, too, in testimony before Congress, called the IWC "a fragile and imperfect vehicle for international whale conservation efforts" because, among other things,

it used "a very poor data base" derived almost entirely from commercial whaling. Now Greenpeace is telling the world that further data collection is unnecessary because the IWC already has data from tens of thousands of whales taken by commercial whalers.

The current demands to stop or cripple whaling research programs fly in the face of the requirement of the moratorium provision to complete a comprehensive assessment of the stocks by no later than 1990. They would also undercut the requirement of Article VIII of the International Convention for the Regulation of Whaling (ICRW) that states: "Recognizing that continuous collection and analysis of biological data . . . are indispensable to sound and constructive management of the whale fisheries, the Contracting Governments will take all practicable measures to obtain such data." This provision of the international treaty—which binds all signatory members and the Commission—mandates continuous collection of data from whales and places the responsibility for such collection of data on the individual whaling nations, not the Commission.

There is no grey area here. The obligation to provide a continuous stream of biological data in order to properly conserve and manage the whale stocks is demanded by the ICRW. And the burden for providing it lies on the individual nations, not the IWC. Moreover, "the taking of whales" under Article VIII of the ICRW, "shall be exempt from the operation of this Convention."

Last year the Commission provided a set of guidelines for whaling research programs calling for, among other things, that: (1) the taking of whales under such programs contributed to the rational management of the stock and facilitate the conduct of the comprehensive assessment mandated by the commercial moratorium provision, and (2) to take into account the data can be obtained by non-lethal means. This resolution should allay all fears that whales will be taken unnecessarily.

One point I would like you to keep in mind.

I believe it be unconscionable to deprive people who have traditionally subsisted on whale meat from continuing to take a small number of whales if such a take will not harm the stocks. This year, both St. Vincent and Japan are seeking permission for their local, small boat whalers to take an allocation of whales. In all fairness, this should not be denied. St. Vincent has traditionally caught a few whales each year, which the people use for food and medicine. Japan's coastal whalers meet all the criteria established by the IWC for an aboriginal exemption. For these whalers, in a handful of Japan's coastal communities, whaling is a longstanding tradition. It provides the mainstay of their livelihoods, is of major economic importance in their communities, and figures predominantly in their society and religion. The catch, small in number, comes entirely from within Japan's 200-mile zone and is consumed locally.

Members of the Commission, again I ask you that the decisions made by you at this meeting be fair and reasonable. And I ask you to preserve and foster the ability to conserve and manage the world's whales by helping to improve the scientific basis needed to maintain this unique resource while providing for rational utilization by future generations.

KEEP OUR GENIUSES IN THE
FAST TRACK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. BIAGGI. Mr. Speaker, I would like to bring to the attention of my colleagues an article which recently appeared in *Psychology Today*, entitled "Genius in the Slow Track." This article briefly highlights some of the problems faced by our exceptional children in our education systems.

I know all of us concur that our children are our greatest natural resource. Our Nation's gifted and talented children have the potential to be tomorrow's great leaders in fields such as science, technology, medicine, education, and politics. However, these students, as with any other resource, must have the opportunity to develop to their full potential. When a gifted student is enriched by being required to do twice as much of the same work his or her fellow students are doing, as opposed to extra, more advanced work, we are not developing that potential.

Much of the reason for the lack of adequate educational programs to serve our Nation's gifted and talented students is a result of the lack of Federal commitment to the education of the gifted and talented. In recent years we have witnessed cutbacks in funding for gifted and talented education programs as well as the consolidation of gifted and talented education into a block grant program with 29 other education priorities.

In fact only 13 percent of school districts receiving funding under the chapter 2 block grant spend any of that money on gifted education of those that do. An average of only \$1,000 goes for this important priority. That is why I introduced H.R. 543, the Jacob K. Javitz Gifted and Talented Children and Youth Education Act. The need for Federal emphasis on gifted and talented education has motivated over 100 of my colleagues to join as cosponsors of this important legislation. The commitment to providing the best education possible for our students, even and especially our brightest students, resulted in H.R. 543, being folded into H.R. 5, the omnibus elementary and secondary education legislation which passed the House this past May.

Currently there are only 56 full time gifted and talented consultants employed by State education agencies to serve an estimated 2.5 million gifted and talented students. Only 23 States have mandated programs of any kind for gifted students; 36 States have no special certification requirement for teachers of gifted and talented children. The National Commission on Excellence in Education noted in "A Nation at Risk," "over half of the population of gifted students do not match their tested ability with comparable achievement in school." Testimony we've heard by the Council for Exceptional Children has said approximately 50 percent of the gifted children are working at least four grades below the level at which they could be working. As we are focusing our national attention on increasing our competitiveness, it is scandalous that we deny any young people, especially our gifted and

talented the opportunity to achieve their full potential.

H.R. 543 has three major purposes: First, to identify and serve gifted and talented children and youth, with priority given to those who are at risk of being unrecognized or of not being provided adequate or appropriate education services; second, to provide preservice and in-service training and professional development activities or teachers; and third, to establish a national center for research and development in the education of gifted and talented children and youth to stimulate high quality research in this area and serve as an information base for gifted education nationwide.

I would urge my colleagues to read the enclosed article and to continue their support for gifted and talented education:

GENIUS IN THE SLOW TRACK

Julian Stanley is worried. "An enormous amount of intellectual talent goes down the drain each year," says the psychologist, "because brilliant kids are stuck in classes that proceed at what is, for them, a snail's pace."

All too often, Stanley says, the only accommodation made to these students is a shallow effort at enrichment. He cites the example of an eighth-grader with an IQ of 187 whose teacher asked him to do all the algebra exercises in his text, rather than just the alternate ones the other students had to do. Such "enrichment," Stanley charges, is more apt to stifle than to stimulate learning.

Exceptionally gifted student's need educational experiences that match their talents. At Johns Hopkins University, the Center for the Advancement of Academically Talented Youth offers gifted youngsters summer classes in ancient Greek, physics, computer science, mathematics and other areas. "These are serious, high-level courses," Stanley says, "not the 'fun and games' of many enrichment programs." Typically, students meet for five hours a day, five days a week, for three weeks to study the subject of their choice.

What can a kid learn in three weeks? In the case of these kids, plenty. For example, one group of 25 youngsters aged 11 to 15 took a speed course in biology. Before the class started the group had an average score of 565 on the College Board's high school examination in biology. That's an impressive score for youngsters who've never taken a course in biology, but after three weeks of study the average score had jumped to 721, a score many college biology majors would find enviable.

Hopkins is not the only place gifted adolescents can take accelerated courses (see "Challenging the Brightest," June 1984). Stanley notes that Duke University, Northwestern University, the University of Denver and other schools offer similar programs. But he warns that many gifted youngsters never get into programs of this sort. Instead, they plod ever so slowly through shallow waters. And at a time when our society is making increasing demands upon our reservoir of talent, it is, indeed, something to worry about.—PAUL CHANCE.

CHRISTOPHER COLUMBUS
DISCOVERS PORT EVERGLADES

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. SMITH of Florida. Mr. Speaker, today I would like to bring recognition to a unique event which will take place in Port Everglades, FL on August 29, 1987. This is the day Christopher Columbus will discover Port Everglades.

Since his discovery of America 500 years ago, Christopher Columbus has changed a bit. Standing 8-feet tall and perched on a travertine marble base, Christopher Columbus will arrive in Port Everglades, FL on August 29 after a voyage originating in Genoa, Italy. Christopher Columbus is returning to partake in the festivities commemorating the 500th anniversary of his discovery of America.

Exuding pride and confidence, the Christopher Columbus monument was the creation and idea of Tom Sette. Driven by his desire to create an event recognizing this historic navigator, Tom gathered two friends by his side, Anthony Iannelli and Tony Paparella, and created the Christopher Columbus Monument Committee.

Ambitious and determined, these three men were able to collect the funds necessary to finance the celebration and monument. Every dollar of the \$120,000 budget was donated by private citizens, listed below. In addition, Port Everglades readily donated land for a park where the statue will permanently reside. The well-known sculptor, Enzo Gallo, my constituent, contributed his artistic talents to create the 2-ton, bronze replica. Miami-based Costa Cruises, Inc., donated two ships to transport the monument to Florida.

The monument will arrive at Port Everglades after a long voyage from Genoa, Italy, the birthplace of Christopher Columbus. Numerous cities across the world will catch a glimpse of the monument en route to Florida. Ports of call in such countries as Italy, Spain, Azores, Canada and United States Virgin Islands will revel in the excitement of the voyage to its home.

The donors who made the Christopher Columbus monument and celebration possible are listed below:

Mrs. Jean Altamura.
James and Margaret Atria.
American's of Italian Heritage Club.
Cardamon & Sopke Family.
Frank and Maria Cernuto and Family.
Alfred and Catherine Ciffo, Sr.
Nicholas J. Clementi—(Marine & Mercantile Ent.).
Nicholas J. Clement—(Conmar Industries).
Peter and Catherine Casoria.
Edward L. Curran.
Julio J. Colangelo.
Dominick R. Colucci, Jr.
Frank A. Cona.
Domenico Deluca.
Flora Food Distributors.
Vita T. Fabiani.
Mr. and Mrs. A. Al Giunta.
Frederick William Mario Guardabassi.
John N. Goudie.
Anthony Iannelli.

Anthony V. Iovino.
Italian American Civic League of Ft. Lauderdale.

Frances Lara.
Charles Leanza.
Magazzu—Leto.
Joseph A. and Clare Mocerino.
Orlando M. and Marion H. Marinelli.
Charles McElyea.
Mrs. Katherine Orlando.
Henry and Gloria Paul.
Gaetano Protano.
Mrs. George L. Pallotto.
Miss. Kartherine M. Pennetto.
J. Rick Ricciardelli.
Tony Rizzi.
Sara Rizzo.
Lou and Annetti Sandora and Family.
Thomas P. Sette.
Seminole National Bank.
Nicola Scoccimarro.
Anthony Perrone.
Sam Studiabe.
Anthony and Doris Tortolani.
Mike and Ana Maria Valletta.
Lucy C. Dibraccio.
Mr. and Mrs. Mario De Carlo.

I am pleased that the Christopher Columbus monument will be a Port Everglades landmark with national significance. I would like to ask my colleagues to join me in recognizing this unique commemoration and congratulating those involved in this project for a labor of love well done.

TRIBUTE TO DR. JONG OK KIM

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. TORRICELLI. Mr. Speaker, I rise in tribute to Dr. Jong Ok Kim Ed.D., LL.D., one of the great educators and philanthropists in modern Korea. Dr. Kim is known and respected throughout the world for his achievements in strengthening education and increasing international understanding. I am deeply honored that Dr. Kim has invited me to address the outstanding institution that he founded and of which he now serves as chairman: the Baeyoung Haksook Foundation School.

Dr. Kim founded Baeyoung Haksook Foundation in 1960 when education in Korea was still in embryonic stage, and has served since then as its chairman during years of uninterrupted growth. Under Dr. Kim's wise leadership, the foundation has expanded steadily since 1960 and now owns and operates nine separate schools, from kindergarten to college. Total student enrollment is now 11,114. Among these schools is the Kumho school for the handicapped children, of which Dr. Kim is particularly proud and to whose welfare and growth he pays great attention.

In order to support these educational institutions as well as other philanthropic activities, Dr. Kim also runs and holds interests in the following business concerns: Taegu General Hospital; Audio Visual Studio; Youngsung Central Library; Youngsung Museum; Taejeon Broadcast Station; Baeyoung Printing Co.; Baeyoung Publishing Co.; Hankook Developing & Construction Co.; Baeyoung Stone Material Co.; Baeyoung Mushroom Co.; Baeyoung Planting Farms; and real estate interests.

Dr. Kim is a man not only of unusual vision but also of extraordinary ability. He has built a huge empire of educational and corporate institutions almost from scratch. While the implementation of his various ideas created thousands of jobs in the local area to help economy develop, his schools trained thousands of bright men and women to work for the development of the country. Dr. Kim has great empathy toward the downtrodden, the handicapped, and the aged. He has done so much for the underprivileged; he is a man whom society always calls upon, and he always answers that call.

Dr. Kim is an internationalist who strongly believes in international cooperation and benefits resulting from mutual assistance. He especially values friendship with the United States, which he views as the foundation of Korea's security and continued prosperity. For that reason, Dr. Kim hosted U.S. congressional delegations headed by my colleagues the gentleman from California, Mr. DYMALLY, beginning in 1984, and former Senator Gary Hart, in 1986. Dr. Kim has also taken the trouble to attend Presidential inaugurations and other major events in the United States. At the same time, he sponsors a number of projects which would facilitate better understanding and improve relations among nations in Asia.

Mr. Speaker, Dr. Jong Ok Kim is a rare combination of scholar, business leader, and philanthropist. He has made a signal contribution to his native land, to United States-Korean relations, and to the cause of peace, progress, and goodwill throughout the world.

BUDDY DARDEN MAKES THE CASE FOR A U.S. ASAT SYSTEM

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. COURTER. Mr. Speaker, our colleague from Georgia and a member of the House Armed Services Committee, BUDDY DARDEN, has done a great service with his recent commentary in Defense News on the U.S. antisatellite [Asat] weapon system.

Mr. Darden carefully explains the multifaceted Soviet Asat threat to our precious space assets, and points out the continuing folly of unilateral congressional limitations on the United States Asat Program. It really matters very little that the Soviet co-orbital Asat system is crude and unsophisticated, as the United States Asat critics charge, because it has already demonstrated a capability to destroy undefended, unhardened satellites.

In addition, the Soviets have several other potential Asat systems presently in existence, as well as a robust research and development program for more advanced Asat systems. The net effect is a dangerous asymmetry between United States and Soviet Asat capabilities which will encourage preemptive Soviet attacks during a crisis. I urge all my colleagues to read BUDDY DARDEN's essay on this important subject.

[From the Defense News, July 27, 1987]

NEEDED: DEFENSIVE ANTISATELLITE SYSTEM U.S. DEVELOPMENT OF SUCH A PLAN WOULD HELP ELIMINATE DEFICIENCIES

(By George Darden)

The United States prides itself in never having been the aggressor in international conflicts. Rather, we rely on strong defenses to deter attacks upon ourselves and our allies.

Because the Soviet Union possesses a vast superiority in numbers of troops and equipment, it is necessary for the United States to defend itself and deter attack by the use of advanced technology weapons systems and through promoting an aggressive strategy once a conflict has begun. One area in which it seems promising for developing advanced weapons is in the realm of space.

Although many do not approve, it is a reality that space has become militarized. As military technology has expanded into space, the need to defend against weapons systems with spacebased elements has become extremely important. The development of an antisatellite (ASAT) system could prove critical to eliminating a deficiency in our defenses—a deficiency that allows free information flow to aid positioning and targeting for enemy terrestrial forces. There is a definite need to reinstate an effective and vigorous research, development and testing schedule for an ASAT system.

The Soviets have approximately twice as many types of low-altitude satellites in operation as does the United States. These space systems cover all aspects of military operations. Navigational satellites provide accurate positional information to ships, aircraft and ground forces, while clusters of communications satellites support direct contact between Soviet forces around the world and their headquarters.

Early-warning satellites in semi-synchronous orbits provide warning of any launch of ballistic missiles against the Soviet Union and also monitor routine test launches in the United States. Reconnaissance satellites—incorporating photographic, radar, electronic and infrared sensors—conduct continued surveillance of the Earth. By the mid-1970s, the Soviets were launching more than 30 photo-reconnaissance satellites annually, and these space systems provided 100 percent photo coverage of the earth. There is every indication that the Soviets have totally integrated these space systems into their systems into their military structure.

During recent consideration of the National Defense Authorization Act for fiscal 1988-89, the House of Representatives approved an amendment that bans the testing of the current ASAT system (the Miniature Homing Vehicle) against an object in space. Although I did not support this amendment, I am encouraged that the amendment does not prohibit the testing of the more advanced and more promising ASAT systems, such as electromagnetic railguns and lasers. Although these systems lack the necessary technological advances to begin adequate ASAT testing, I believe it is incumbent on the Department of Defense to actively promote these most promising ASAT technologies.

Opponents of the United States ASAT program argue that by stopping the development of ASATs by both the United States and the Soviet Union, we protect our own satellites. In other words, if neither side can

kill the other's satellites, all space systems will be inviolate in a future conflict.

My concern with this philosophy is the fact that the Soviets have had an operational ASAT system since the mid-1970s. This weapon, a co-orbital device that would be launched from the Tyuratam space complex, enters the satellite's orbit, maneuvers itself in close proximity to the satellite and explodes, thus destroying the satellite with a barrage of shrapnel.

By 1982, the Soviets had completed 20 tests of this system, and it is believed the Soviet ASAT is fully capable of performing its mission. Also, there are indications that the Soviets are conducting research and development of advanced systems, and may possess two ground-based test lasers with ASAT capabilities. If these circumstances are studied and considered, it is no surprise that the Soviets have stopped testing their ASAT and would like to see development of an American ASAT delayed or eliminated.

Surveillance and reconnaissance satellites should be considered an extension, or an enabler, of the Soviet weapons delivery system. Therefore, the ASAT, when it eliminates a hostile satellite, is placing a greater burden on the Soviet forces by putting out one of the "eyes" of the attacking force. In effect, this is defending friendly forces by preventing the enemy from bringing weapons to bear on a target.

The United States needs the strongest defense possible when facing the superior manpower and equipment advantages of the Soviet Union. If we have the ability to destroy major components of the Soviet communications, intelligence and battle management, we can multiply our forces and adequately defend ourselves against superior numbers. An ASAT capability is a key link in this defense.

SPEED LIMIT INCREASES DON'T STOP SPEEDING

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. HOWARD. Mr. Speaker, the evidence continues to demonstrate that raising the speed limit on rural interstates from 55 miles per hour to 65 miles per hour simply has the effect of increasing speeds by 10 mph. The latest State to report this finding is New Hampshire.

It is clear that this development will bring about the most dangerous condition on the roads—an increase in the variance of speeds. Those who were driving at safe speeds or 55 to 60 miles per hour will continue to drive at those speeds. However, those who were driving at 65 mph or more when the speed limit was 55 mph, will now be driving at speeds of 75 mph or more.

The increase in the range of speeds on the road will result in the increase in fatalities and serious injuries that proponents of the 55 mph speed limit have predicted. Speed limits of 65 mph in rural areas and 55 mph in urban areas will also cause range and variance problems.

I have submitted for my colleagues' attention an Associated Press article from July 20, 1987, describing the situation in New Hampshire.

The article follows:

NH—SPEEDING

CONCORD, NH.—Safety Commissioner Richard Flynn says the 65 mph speed limit on New Hampshire's rural interstate highways appears to have encouraged more people to continue speeding rather than to obey the law.

"We're seeing a lot more of them traveling at 70 mph than before and we're trying to hold them down to 65 because we think 65 is fast enough," said Flynn, who oversees the state police.

Congress in April approved letting states set speed limits at 65 mph on rural stretches of interstate, and New Hampshire quickly did so. Flynn and Gov. John Sununu supported the change, saying most drivers were ignoring the old limit.

Opponents had argued that the 65 mph limit would prompt people to drive even faster than before, and Flynn said that appears to have happened.

And in urban areas, where the limit remains 55 mph, Flynn said drivers are not slowing down much.

"When you raise the speeds to 65 elsewhere, people have a tendency of not reducing their speed to 55 when they come into those areas," he said.

Last week, the Executive Council took a step to crack down on speeding. The council approved spending more than \$21,000 in federal money to buy 19 new radar guns for the state police.

PERSONAL EXPLANATION

HON. JAN MEYERS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mrs. MEYERS of Kansas. Mr. Speaker, my name was mistakenly added as a cosponsor of House Joint Resolution 132, the resolution pertaining to the Armenian genocide.

I regret the error, and want to inform my colleagues that I do not support this resolution and intend to vote against it when the House considers it tomorrow.

NO NEED TO PANIC OVER M-1 TANK PROPOSAL

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. OXLEY. Mr. Speaker, as I am sure my colleagues in the House read recently in the "Washington Post," the Reagan administration is reportedly thinking about allowing Egypt to produce M-1 tanks.

One of the two cities where the M-1 Abrams tank is currently produced, Lima, OH, is located in the Fourth Congressional District I represent. The tank plant is the largest employer in my congressional district, with more than 3,500 employees.

No sooner had the ink dried on the story about the Egyptian tank production proposal than Ohio's two U.S. Senators had banged out press statements decrying the plan, claiming it would rob the United States of both jobs and sensitive military secrets.

While Ohio's two Senators were issuing their press-pleasing critiques of the plan, I was attending a top-secret briefing on the M-1 tank with members of the House Armed Services Committee's Subcommittee on Procurement and Military Nuclear Systems to try to find out the whole story. I would like to share what I learned at this briefing and my thoughts on this proposal with my colleagues in the Congress.

First of all, no decision has been made to transfer production of the M-1 tank to Egypt. We are only at the negotiating stage and, at the very most, the plan would only enable Egypt to coproduce or assemble the tank, if it could be done on a cost-effective basis. Moreover, if an agreement were reached tomorrow between the United States and Egypt, it would be about 12 years, according to the U.S. Army, before any Egyptian assembly of the tank could actually occur.

Second, the proposal would not cost any current American jobs. In fact, the proposal could very well ensure long-term job security for many of those presently employed at the Lima tank plant and even expand American job opportunities.

The current U.S. Army contract with General Dynamics Corp. is for 3,299 tanks over 5 years. This contract will not be affected by any decision on future production of the tank.

But what happens after we have produced all the M-1's U.S. forces need? No one can expect our demand for M-1's to last indefinitely. What then? Do we shut the Lima tank plant down? Where would that leave the Lima tank plant work force?

We've got to think ahead. Eventually, we've got to develop new markets for the M-1, and the plan to involve Egypt in M-1 production could very well be the key. To me, a properly negotiated agreement with a U.S. ally to coproduce or assemble the M-1 from American-made parts is far preferable to no tank production at all.

The prospect of an arms control agreement with the Soviets on medium- and short-range nuclear weapons would likely increase NATO's reliance on conventional forces. Since the Warsaw Pact countries currently enjoy a nearly 3-to-2 advantage in conventional weapons, including tanks and artillery, an arms control agreement could hold promise for the M-1, which is widely recognized as a superior tank.

It would be great to have the Egyptians and other allies simply purchase the tanks directly from us, but we may not have such a luxury. It is important to remember that Egypt is an industrially poor nation that desperately wants to create economic opportunities for its citizens. As a moderate Arab nation, Egypt must continue to play an important role in the Middle East peace process. In this volatile region of the world, economic opportunity is a stabilizing political force.

In short, the Egyptians and other United States allies might not be willing to buy the tanks outright. We need to recognize that our allies work within certain parameters and that they must deal with agendas and domestic political situations of their own. If we do not work with the Egyptians, we risk losing to the French or others the opportunity for any addi-

tional tank production or sales. As we have seen repeatedly in the past, there is always some country willing to sell what we will not, and once we lose a market, it is not easy to recoup. The Carter grain embargo taught us that.

Concern about the transfer of technology is legitimate and numerous questions would have to be answered if any proposal is submitted to the Congress. It is highly unlikely, however, that any coproduction or assembly arrangement would involve the transfer of sensitive technology. The United States would maintain control over such technology, including designs. Besides, technology which is sensitive today may not be so 12 years from now.

The position of the Israelis is an issue to be discussed. It is far too early to have any reasonable assessment of what any coproduction arrangement or sale of the M-1 to Egypt may mean to the Israelis. Nevertheless, the balance of power and the peace process in this region are important considerations.

Similarly, questions relating to production costs, efficiency, and production quality would have to be addressed. The Egyptians have had real problems in these areas that must be rectified to make any coproduction arrangement a viable option.

What we have here is a classic case of turning a molehill into a mountain. If there truly were cause for alarm over the Egyptian tank production plan, you would hear me protesting louder than the aforementioned Senators—if that's possible. But the fact of the matter is that there is no reason to jump on the bandwagon.

I intend to closely monitor continued negotiations on the M-1, but I am simply unwilling to unilaterally reject any proposals which may mean more jobs and long-term job security to the Lima area.

THE KELSEY TRACT

HON. ALFRED A. (AL) McCANDLESS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. McCANDLESS. Mr. Speaker, I'm pleased to rise on behalf of H.R. 2615 and thank my colleagues for their support of this important legislation.

The land referred to in H.R. 2615 is a 235-acre parcel located directly across from the Pechanga Indian Reservation. It is known locally as the Kelsey Tract, and was purchased by the United States for Indian use under the act of June 21, 1906—34 Stat. 325, 333. The tract is within the original territory of the Temecula Band of Luiseno Mission Indians, and although clearly intended for the band's use, the parcel's title is silent as to beneficiary.

Although the Bureau of Indian Affairs has made the Kelsey Tract available for use by the Pechangas on an informal basis, the land's title uncertainty has left the BIA unwilling to permit construction of the irrigation facilities and other improvements needed to provide full use of the land. H.R. 2615 would remove that uncertainty by declaring the land to be held in trust by the Secretary of the Interior for the use and benefit of the Pechanga

Tribe. It would also make the Kelsey Tract a part of the Pechanga Reservation, allowing the band to proceed with the improvements needed to provide greater employment and revenue generating resources for the tribe.

The Pechangas have already proven themselves able and willing to derive good use from their lands. Though most of the reservation's current 4,900 acres are remote, and unsuitable for more than low-density grazing, those areas available for better development have received it. Approximately 1,200 acres are allotted to tribe members for individual use. Other lands have been used to construct tribal government facilities and housing. On irrigated portions of the Kelsey Tract, the band has already located a 20-acre vineyard and 8-acre Christmas tree farm. It has also planted a multiacre oat crop and made plans for another 50-acre vineyard.

Additional to the Kelsey Tract's agricultural uses is the land's strong retail potential. Several privately owned lands adjoining the parcel have been scheduled for residential development, thus generating the need for various community-support services. Clear title to the tract would prepare the way for construction of such facilities, providing added employment opportunities for band members.

Although current reservation lands will be unable to provide adequately for the Pechanga's future, the agricultural and commercial promise of the Kelsey Tract will enhance the probability of the tribe's future economic independence and self-determination. Therefore, I urge your support of H.R. 2615.

1987: "THANKS FOR THE MEMORY"

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. HORTON. Mr. Speaker, in the past 50 years America has seen incredible changes. This year, 1987, is a historic year, marking the 100th Congress and the 200th anniversary of the Constitution. This year also holds special significance for me, as I complete my 25th year as a Member of this distinguished body.

I was graduated from Baton Rouge High School in 1937. That year, Spencer Tracy won the Academy Award for best actor, the New York Yankees beat the New York Giants to win the World Series, and Joe Louis knocked out Jim Braddock to become the world heavyweight champion. Hit songs of 1937, the year the jitterbug became a national craze, included "In the Still of the Night," "Josephine," "My Funny Valentine," "September in the Rain," "Harbor Lights," and "Thanks for the Memory."

Walt Disney made film history in 1937 when the first full-length animated feature film, "Snow White and the Seven Dwarfs," was released. In the first 3 months of "Snow White's" release, over 20 million children lined up to be scared by the witch, charmed by Snow White, and teased by the dwarfs. Disney's team of more than 750 artists produced over a million drawings, with 250,000 of these composing the 83-minute movie. Snow White,

a classic that appeals as much to us now as it did 50 years ago, gave Depression-era audiences the happy ending they so needed.

On August 15, 1987, my former Baton Rouge classmates and I will have a reunion in celebration of our 50th year since our graduation in 1937. I'm sure we will reminisce about the many events that made 1937 a very special year.

The year 1937 was one of both hope and disappointment. The Pan American Airways Clipper III completed the first of a series of survey flights to prepare for regular transatlantic passenger service, even as Amelia Earhart set forth on her journey around the globe, never to return. San Francisco's Golden Gate Bridge opened, the first blood bank was established, and nylon was patented. In Pasadena, CA, the first McDonald's restaurant opened. In Hollywood, composer George Gershwin died at the age of 38. The average American earned \$1,893 a year, if he had a job. Of that, he could pay \$585 for a new Ford, fill the tank with gas for twenty cents a gallon, and buy a new, three-bedroom home for \$4,000.

In 1987 we are concerned about the budget deficit, the economy, changes on the Supreme Court, and foreign policy. The events that faced Congress in 1937 show how much things have changed, and how much they have stayed the same. The U.S. Government ended the fiscal year June 30, 1937, with a net deficit of \$2.7 billion, and a gross public debt of \$36.4 billion. People complained then that the deficit was too high. In the summer of 1937, the economy slumped, unemployment rose, and the term "recession" was coined. The organized-labor movement progressed in picket lines and at bargaining tables, but at the cost of several lives in violent sit-down strikes and demonstrations. Prior to the retirement of 78-year-old Justice Willis VanDevanter, President Franklin Roosevelt stirred controversy by attempting to pack the Supreme Court with justices who would look favorably on his New Deal social and economic policies.

Little did the graduating class of 1937 know that the Japanese would bomb Pearl Harbor just 4 years later, catapulting the United States and the world into war. In 1937, 50 years prior to the Iraqi attack on the U.S.S. *Stark*, civil war raged in Spain, Japan invaded China, and a United States gunboat in Chinese waters was sunk by Japanese airplanes. Two American sailors died in the attack on our ship. Japan apologized for the mistake and offered to pay damages. Congress, concerned about foreign belligerency, passed the Neutrality Acts to limit the risk of American involvement in war, but the United States would be unavoidably drawn into World War II.

Today we take for granted many of the things we did not have 50 years ago: magnetic tape recordings, jet engines, ball point pens, penicillin, and television. Since the signing of the Constitution, we have achieved much. The past 50 years alone have witnessed tremendous technological progress and rapid social change. In the face of such change, there is ample reason for nostalgia; there is even greater reason for hope. The year 2000 is only 13 years away. When I was

graduated from high school in 1937, I and my classmates could only dream about the future. Between now and the turn of the century, we will create a whole new future for ourselves, our children, and their children.

LOPID PATENT TERM EXTENSION AND FAIRNESS ACT OF 1987

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. DERRICK. Mr. Speaker, today I am introducing the Lipid Patent Term Extension and Fairness Act of 1987, legislation which will redress a unique and inequitable situation that has arisen in connection with the patent on a pharmaceutical product named Lipid (U.S. Patent number 3,674,836). I am pleased to have joining me as original cosponsors of this bill Representatives GALLO, BOUCHER, COBLE, SLAUGHTER of Virginia, MARTIN of Illinois, SYNAR, TORRICELLI, DEWINE, RINALDO, LELAND, and HUGHES. I am introducing the bill to facilitate the hearing process in the House. We recognize that the hearings may indicate better ways to draft the legislative relief we seek to provide, and we are open to any suggestions.

The manufacturer of Lipid is Warner-Lambert which is the parent company of the largest hard gelatin capsule plant in the world. This modern plant is located in my congressional district. The situation involving its patent on Lipid is a unique one, and one which demands expeditious consideration by Congress.

Identical legislation has been passed in the Senate as title 36 of the Omnibus Trade and Competitiveness Act of 1987, S. 1420. Earlier this year, the Senate Committee on the Judiciary unanimously reported the Process Patent Amendments Act of 1987, S. 1200, which included the legislative relief I am today proposing and was then merged into the trade bill. The House has also approved a process patent bill which was merged into the House trade bill, however, it does not contain the Lipid language.

As our colleagues are aware, the trade bill was passed in the other chamber on July 21 by a vote of 71 to 27. During consideration of the trade bill on the Senate floor, the Lipid provisions were not the subject of any controversy, which reflects the narrow yet well-supported nature of the legislation.

Mr. Speaker, I believe the background of the drug's development demonstrates the merits of this legislation. Warner-Lambert developed Lipid following extensive and exhaustive research that began in the 1950's. The FDA approved the marketing of this drug in 1981, but only for a very limited use and not for the use for which the drug had been developed. Further, the FDA required that the company undertake a so-called phase IV study which involved proving the basic medical hypothesis that was at the core of Lipid's development.

Mr. Speaker, while the company was engaged in this phase IV study—the longest phase IV study ever undertaken—Congress

changed the rules of the game. Passage of the Drug Price Competition and Patent Term Restoration Act of 1984 eliminated the reasonable marketing expectation Warner-Lambert had when it agreed to undertake this research. Specifically, the expectation was that they would have a period of 5 to 7 years after the Lipid patent expired, in mid-1989, during which they would retain exclusive marketing of the drug.

In sum, Warner-Lambert will have approximately 1 year in which to recapture its investment in the phase IV study, now known as the Helsinki Heatt study. The 5-to-7 years of exclusive marketing assumed when Warner-Lambert agreed to undertake the study is lost because of the 1984 act.

Mr. Speaker, it seems to me that companies which underwrite such fundamental research and development should be encouraged. Indeed, these are the kinds of activities which will ultimately make American business more competitive. Where the laws we enact have unintended and unfair impacts and undercut such efforts, I believe it is incumbent upon Congress to acknowledge and redress the situation.

The bill I am introducing will do just that. While the situation the bill addresses is unquestionably unique, the fact that Congress will provide redress is not. In fact, I would note that my good friend and colleague from Massachusetts, Hon. BARNEY FRANK, introduced legislation in the 98th Congress to extend the patent on an antidiabetic drug known as DiaBeta. That bill, which extended the patent life on DiaBeta, was the subject of hearings in the House, passed the House and Senate, and was signed into law in less than 5 weeks.

Mr. Speaker, the bill I am introducing is narrowly drawn and precisely captures this one single situation—and none other. It provides a 5-year extension on the patent for Lipid if, and only if, the FDA approves its use for lowering the risk of heart attacks. The unique set of facts which have given rise to this inequity were expressly recognized and utilized in the drafting of the bill to ensure that it captures no other pharmaceutical product.

Mr. Speaker, if meaningful relief is to be provided by Congress, it must be timely. I hope that hearings can be held in the next few weeks to air fully the facts on this issue, and to establish the public record for our action on the legislation. Moreover, because the provisions have been added to the trade bill in the Senate, I am hopeful that the leaders on this issue can agree to accept the Senate position after having an opportunity to study and review the facts and after their review of testimony submitted at a public hearing. For this reason, it is critically important that such hearings be held in the very near future.

I encourage my colleagues to review this legislation and to cosponsor it. It shows that Congress recognizes the value of our business community's efforts to improve our quality of life.

150TH ANNIVERSARY OF GUILFORD COLLEGE

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. COBLE. Mr. Speaker, on August 1, 1987, my alma mater celebrated its 150th anniversary. I would like to take this opportunity to tell my colleagues about Guilford College in Greensboro, NC.

Guilford College was founded in 1837 as New Garden Boarding School. The school began with 25 male and 25 female students. It is now the oldest coeducational college in the South, and the third oldest coeducational college in the Nation. Guilford College has maintained a 150-year affiliation with the Society of Friends, or Quakers, with the traditional Quaker emphasis on tolerance, simplicity, candor, social justice, and world peace.

Guilford College has maintained a steadfast commitment to personal and academic excellence, to a traditional liberal arts curriculum, innovative research and the exploration of new ideas. The school has prepared students from all walks of life for the challenges they will face in the years ahead. Many of our area's political, business and academic leaders were educated at Guilford College.

I am proud to say that I am a graduate of Guilford College. I would like to extend my best wishes to Guilford on the occasion of its 150th anniversary. I would also like to wish the school continued success for the next 150 years as well.

TOLEDO TRANSPLANT RECIPIENTS TO COMPETE IN INTERNATIONAL GAMES

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Ms. KAPTUR. Mr. Speaker, it is my sincere pleasure to bring to the attention of my colleagues two Toledo citizens who will participate this September in the sixth World Transplant Games in Innsbruck, Austria.

Oliver Hale and Ernie Prado received kidney transplants at the Medical College of Ohio in Toledo in 1985. Not only have they met the physical and emotional challenges entailed in transplant surgery but they have courageously entered into the demanding schedule of this international athletic competition.

Organ transplant recipients from 26 nations will take part in these games, patterned after the International Olympics, which will involve a variety of events in age categories for children, teenagers, young adults, and for men and women over age 35.

Mr. Hale, a board member of the Kidney Foundation of Northwest Ohio and a food service caterer in Toledo, plans to participate in the 100-meter run, the 400-meter relay and tennis competition.

Mr. Prado, a graduate student in business administration at the University of Toledo, will

be a competitor in cycling, swimming, and race walking.

Both men have been engaged in rigorous training for several months and have been gratified by the outpouring of support for their efforts on the part of many Toledo citizens, organizations, and businesses. I, too, am very proud of their accomplishments and commend them for this vivid demonstration that people who have had transplants can continue to lead full, active, and exciting lives.

John Kennedy said, "The courage of life is often a less dramatic spectacle but * * * a man does what he must—in spite of personal consequences, in spite of obstacles and dangers and pressures * * *" These two men certainly exemplify that "courage of life."

PLIGHT OF SOVIET JEWS

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. WOLF. Mr. Speaker, I am joining my colleagues in this year's Call to Conscience Vigil to bring attention to the plight of Soviet Jews seeking freedom of religion and the right to emigrate from the Soviet Union.

I share the concerns of all freedom loving people over the plight of Soviet Jews. I have expressed this concern by urging the Soviet authorities to adopt a more flexible policy on emigration and to live up to those basic international standards of human rights spelled out in the Helsinki accords and other documents to which the Soviet Union is a signatory. Time and again, in have written Soviet officials to urge reconsideration of individual refuseniks, from various cultural backgrounds, who were imprisoned for their religious or political convictions.

The Modlin family is but one example of the campaign of anti-Semitism that is becoming a standard occurrence in the Soviet Union. This family has been trying to emigrate to Israel since April 1982 so that they can be reunited with the wife's sister living in Jerusalem. Their application was initially refused in December 1982 on the grounds that they had no immediate family in Israel. They reapplied again in December 1983 but to no avail; that, and each subsequent application, has been refused. Beginning with the 1983 refusal the OVIR officials have assumed the position that the Modlin family's emigration is of no state interest.

Michael and Ella Modlin are both engineers by profession and their son, Igor, is a student. Unfortunately since applying to emigrate Michael has been forced to procure a laborer position.

In addition to this family's situation, I am further concerned about the continuing developments in the Soviet bloc that have lead to the increasing manifestations of officially sanctioned anti-Semitism, persecution of both prominent and less well-known refuseniks, and the continued downward trend in Jewish emigration from the Soviet Union. It is these types of persecutions that we can no longer fail to recognize. We must continue to raise human rights issues with the Soviets and with

all Communist bloc nations at every level and in many forums. I pledge my continued support of the United States Government in its efforts on behalf of Soviet Jews, and in pursuit of progress on this vital human rights question.

NAVY'S BOOBOO IN THE GULF IS AN ALL-AMERICAN BOOBOO

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. ASPIN. Mr. Speaker, the question everyone is asking me is: Why didn't the Navy have any minesweepers in the Persian Gulf? The proper answer to that is: Ask the Navy. The likely answer is that they once again missed the boat—if I may coin a nautical phrase—by focusing so heavily on more sophisticated threats. But let's not all jump on the Navy. The media, for example, committed the same gaff by talking for a month about the horrors of Silkworm missiles to the near total exclusion of threats like mines.

We've gone through four Pentagon reactions to the mines. I first had the staff raise the issue in mid-May when I came across a TASS wire dispatch. That report quoted seamen on the tanker *Marshal Chuikov*—which struck a mine on May 17 only hours before the USS *Stark* was hit—as saying that they had seen a speedboat with no lights come up and stop about 2 miles from them. The boat remained there for some time, then sped off without offering any assistance and without putting on its running lights. That raised my eyebrows. When the staff broached the issue, it raised no eyebrows in the military. I cited the TASS report in some speeches and a hearing, but got little response other than shoulder shrugging. Intelligence analysts, meanwhile, began warning of a mine threat. Finally, on a trip to the Persian Gulf early in July, I raised the matter with Rear Adm. Harold J. Bernsen, commander of the Middle East Force. The admiral said that mines were at the top of his list of concerns. That comment lulled me, and I ceased to be concerned at that point. It now becomes clear that the concerns of the Middle East Force were really rather narrow—as narrow as the channel off Kuwait where 15 mines were found last month. In other words, the Navy was very worried about mines in that particular area and didn't broaden its focus to other choke points in the gulf that were suitable sites for mining.

What can the Navy do to confront the mine threat? We have 21 minesweepers and 23 minesweeping helicopters. While this is an inadequate number for a war with the Soviets, it is more than enough to cope with the Persian Gulf problem. Stories about our frightful inadequacy in the mine countermeasures area simply confuse the Soviet and Persian Gulf scenarios. Stories that we only have three minesweepers in the Active Forces miss the point that we put capabilities that we only need rarely into the Reserves precisely because we only need them rarely. But they are manned, they are not mothballed, and they are supposed to be ready for call-up.

The bottom line is simply that the Navy didn't think this through. Once again, the Navy was preoccupied with the more sophisticated threats to our forces, such as the Silkworm missile. But in all fairness to the Navy, this is not merely a U.S. Navy mental block. This is a cultural preoccupation of the American society as a whole. It is most visible in the media coverage of the reflagging issue, which focused on the Silkworm even more than Navy planners. Throughout June and July, as I delivered this series of speeches and gave innumerable interviews, I stated repeatedly that the Silkworm and Iranian aircraft and tales of kamikaze attacks from Iran were not the threat—we needed to worry instead about some kind of "no-fingerprints" attack. I specified terrorism, mines, and some other kinds of innovative, cheap, low-technology assault on our interests. The reaction from the media was veritable silence. A few newsmen told me that they agreed with what I was saying but their editors were just asking for more stories on the Silkworm.

The Navy, of course, has a professional responsibility to analyse threats to ships in the Persian Gulf—a responsibility the media does not have. But I raise the issue to make clear that the Navy's cultural block is not a unique one.

Now, of course, we are in a frenzy over minesweeping. That's all the media wants to talk about this week.

In Tehran, I guarantee you, there are rooms filled with planners scoping out the tactic they will use after we have neutralized the mine threat. And there are probably planners working on the tactic they will use after we have neutralized the tactic that follows the mine. It is quite correct, as I have heard from various military planners in this country, that we can defeat whatever low-technology threats the Iranians toss at us. But that is not an excuse for composing tomes on the Silkworm. The Iranians know we can neutralize their tactics eventually—you don't read about truck bombs anymore. But that misses the point. It took time to counter the truck bomb—but in the meantime the Iranians made their point very, very, very effectively. When that mine exploded against the tanker *Bridgeton* last week, it spattered egg all over the face of the Navy. The Iranians made their point, very, very, very effectively. While we are busily countering mines—2½ months after we should have acted—the Iranians are off on their next scheme.

In other words, we are behind the power curve. And that's exactly where the Iranians want us.

What should we do now? We ought to be directly the best minds the Pentagon has to looking at low-technology threats rather than hi-tech ones. We need to fill a room with men and women who will put themselves in Iranian shoes, or turbans, and scheme as the Iranians are scheming.

There are three guidelines to use:

First, look for American vulnerabilities. Do American personnel living in the Persian Gulf tend to congregate at a few restaurants or cafes? Is there adequate protection around them? Look at where our ships and the tankers dock or anchor. Could someone easily fire

mortar rounds at them from land? Or float a dinghy with explosives up against them?

Second, look for tactics that are cheap and simple. The Iranians have kamikaze volunteers, but these people aren't computer whizzes. The Iranians aren't looking for concepts that are too intricate for their operatives to carry out.

Third, look for tactics that leave no Iranian fingerprints. The Iranians aren't likely to fire Silkworms at us since that simply begs for American retaliation. They are interested in stinging us; they aren't interested in being stung back.

Another matter we should consider is stinging them back. The White House, much to my surprise, sprang into action after the mine explosion to deny any interest in retaliation. That hardly discourages the Iranians from going after us again. Now, when we use the term "retaliation," the thought of American jets zooming down on Iranian cities and scattering bombs across the horizon immediately comes to mind. Retaliation need not be so dramatic—in fact, it ought not be so dramatic. The Iranians have to run tankers up and down the eastern side of the gulf. If "invisible hands," to quote Iran Prime Minister Mir-Hossain Musavi, are dumping mines on the western side of the gulf, maybe some other invisible hands will drop some mines on the eastern side.

Let me emphasize that I am not urging that we act without a reasonable certainty that the mines were set by the Iranians. If we simply say that we will retaliate against Iran if one more ship hits a mine, I'll wager the entire Iraqi Navy will be out in the gulf tonight scattering mines like bread crumbs. We have to be certain that we are not being taken advantage of.

I have not yet seen any intelligence reports on the latest mines found in the gulf. But I do note that the speaker of the Iranian Parliament, Ali Akbar Hashemi Rafsanjani, interrupted his sermon at Friday prayers to announce the *Bridgeton* mine strike. As he started to wax enthusiastic and began to gloat, he caught himself and said: "Of course, we aren't acknowledging responsibility."

THE 13TH ANNIVERSARY OF THE ILLEGAL INVASION AND OCCUPATION OF CYPRUS BY TURKEY

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mrs. BENTLEY. Mr. Speaker, last month the Greek-American community in Baltimore remembered the 13th anniversary of the illegal invasion and occupation of Cyprus by Turkey. On Friday, July 17, a group of young students of Greek and Cypriot heritage, many of whom were born there, gathered in Baltimore at the Greek Orthodox Cathedral of the Annunciation. They were marching from New York to Washington to make the American people and the Members of Congress aware of the outrageous Turkish occupation of Cyprus. I commended them for their diligence in seeking the freedom of their homeland.

In my discussion I pointed out that as a first-generation Serbian, I understood their concern and frustration and deep sadness over the occupation of northern Cyprus by the Turks 13 years ago. My parents' nation of Serbia was conquered by the Turks in the 14th century; it was lost in the battle of Kosovo, and for five centuries both Serbia and then Greece were under the domination of the Turks. That long occupation finally ended, only to be repeated by the Turks 13 years ago when they illegally seized part of Cyprus.

I was surprised to learn that over a quarter of our military assistance package to Turkey is used in its domination of Cyprus. Mr. Speaker, this is wrong. It is in direct violation of U.S. law and must be stopped.

Today, ironically, Kosovo, which is a very sacred land in Yugoslavia, is also under siege, this time by the Albanians, who are pushing the Serbians out. So I have a great deal of understanding for the Greek Cypriots, 200,000 of whom have been forced out of their ancestral homeland.

Mr. Speaker, I join with the Greek-American community in Baltimore in calling for an immediate end to the occupation of Cyprus by Turkey. Further, Mr. Speaker, I say it is time to force Turkey to use American assistance for the purpose for which it was intended, not the occupation of Cyprus. Let us raise our voices with the Cypriot people who seek freedom for their land even as we join with my people, of Serbian heritage, in seeking freedom for the ancient and sacred province of Kosovo. America needs to know about these tragedies where so many people have had their human rights violated.

HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. LaFALCE. Mr. Speaker, on July 30, on behalf of myself, the distinguished ranking minority member, Mr. McDADE, and two distinguished members of the Ways and Means Committee, Mr. JENKINS and Mr. DAUB, I introduced H.R. 3065, a bill to increase the deduction for health insurance costs of the self-employed. This legislation represents an important first step toward reducing the health insurance gap in this country.

The bill amends the Internal Revenue Code of 1986 to allow self-employed individuals, primarily the sole proprietors and partners in many of the Nation's small unincorporated businesses, to deduct the full cost of health insurance for themselves and their families.

This legislation will rectify a fundamental inequity in the Tax Code which serves to discourage self-employed business owners from offering health benefits to their employees. All employers are entitled to deduct as a business expense the cost of providing health insurance coverage to their employees. The owner of an incorporated business may also deduct the full cost of his or her own health insurance. In the case of an unincorporated business owner, however, his health insurance

costs were fully taxable under the law as it existed prior to enactment of the new tax bill.

The Tax Reform Act of 1986 addressed this unequal treatment between self-employed individuals and owners of small corporations by allowing the self-employed to deduct 25 percent of the costs of health insurance for themselves and their families, provided they offer comparable health benefits to their employees. While this modification in the Tax Code is a step in the right direction, it does not go far enough. Moreover, it is temporary; the 25-percent deduction will last only through 1989.

Mr. Speaker, there is no justification for continuing this unequal treatment of health insurance costs based on the legal form of a business. The conditions under which small corporations and unincorporated businesses operate are the same for most purposes. The tax benefits for operating as a sole proprietorship or partnership versus a corporation have been equalized in most areas, but not in the area of health insurance deductions. Partly as a result of the tax penalty imposed on health insurance costs, the Nation's unincorporated business owners are discouraged from offering health insurance coverage to their employees.

According to recent studies, there are approximately 37 million Americans without health insurance. Two-thirds of that total are employed adults on their dependents, and almost half of all uninsured workers—over 8 million people—are in firms with less than 25 employees. Many of these workers in small firms are employed by unincorporated businesses that do not offer health benefits. In addition, the SBA estimates that there are 1.6 million business owners, primarily sole proprietors, without health insurance coverage.

The legislation we have introduced will provide an important tax incentive for the self-employed and unincorporated businesses to provide health insurance coverage for these owner-operators, their families, and their workers. The bill will raise the tax deduction for health benefit costs from 25 to 100 percent, effective January 1, 1987, and will make it permanent.

I urge my colleagues to join with us in co-sponsoring this important legislation that will help to reduce the Nation's uninsured population.

I insert the text of H.R. 3065 in the RECORD at this point:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN AMOUNT OF DEDUCTIONS FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) GENERAL RULE.—Section 162(m) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended as follows:

(1) by striking out "an amount equal to 25 percent of" and inserting in lieu thereof "an amount equal to"; and

(2) by striking paragraph (4).

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall apply to taxable years beginning after December 31, 1986.

REMEMBERING THE WOMEN WHO SERVED IN VIETNAM

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MURTHA. Mr. Speaker, I wish to add my support to the effort currently underway to place a statue at the Vietnam Veterans' Memorial to ensure a place in history for the women who served during that war.

I met recently with National Park Service Director William Penn Mott and expressed to him my support for this project. I believe the addition of the statue of a woman at the Memorial would be a fitting tribute to the many American women who served with honor and distinction in Vietnam. I have long felt their contribution has been overlooked by many public recognitions of Vietnam Veterans, and this statue would go a long way toward reminding Americans of present and future generations of the effort of American women in the Vietnam war.

The Vietnam Memorial Project is one I have felt particularly close to over the years. I was the first Vietnam combat veteran elected to Congress. I helped to form the Vietnam Veterans in Congress caucus. I was a member of the first congressional delegation to return to Vietnam after the War to inquire about American POW's and MIA's. I was a keynote speaker at the ceremony laying the cornerstone of the Vietnam Memorial.

I look forward to continuing to work with the Park Service and the many groups involved in this project. I endorse this statute to give proper recognition to the women who served America during the Vietnam conflict.

THE 25TH ANNIVERSARY OF THE TEENAGE MUSICALS, INC.

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. SCHUETTE. Mr. Speaker, I would like to take this opportunity to give special recognition to an important organization in my district. Teenage Musicals, Inc., will celebrate its 25th anniversary on August 1 of this year. TMI has provided its community with quality entertainment, and its youngsters with an education in the musical theater since its inception.

As many as 150 young people develop their talents and share those talents with their community each August. For this year's performance, and to celebrate the 25th anniversary, TMI will produce "The Wizard of Oz."

The summer program of TMI is dedicated to teaching all aspects of the musical theatre and its production to young adults, ranging in age from 13 to 23. These talented individuals are guided and taught by adult volunteers who stress citizenship, teamwork, and leadership in their teachings. By participating in the TMI programs, young adults learn to develop personal confidence, so important to a successful and fulfilling adult life.

As an incentive, TMI initiated a scholarship program in 1978 to provide college book

awards to scholastically deserving participants who are pursuing a career in the performing arts or related fields.

Operating as a nonprofit, self-supporting organization, TMI has continued to produce quality entertainment while providing an important education experience through box office ticket sales, purchased memberships, and business and individual contributions. Thousands of hours of time has been committed to the organization by dedicated individuals, such as Betty and Gerald Hath, who founded TMI. Others, such as Kay Collison, Peter Conarty, Ken Endline, Larry Johnson, and Peter Brown have dedicated many years of service to this worthy cause.

Mr. Speaker, I hope you and our colleagues will join me in commending this fine organization, its volunteers, and, most importantly, the young adults who have participated in the TMI programs. Providing our young adults with an expanded education and awareness of the fine and performing arts is a cause worthy of commendation and encouragement. I urge my colleagues in the House to wish Teenage Musicals, Inc., a joyous 25th anniversary celebration and wish them a successful future.

CHILDREN'S GARDEN CELEBRATES TWENTIETH ANNIVERSARY

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mrs. BOXER. Mr. Speaker, in February 1988 the Children's Garden, a nonprofit residential treatment center for emotionally disturbed and physically abused children 3 to 10 years of age, will celebrate 20 years of service to the San Francisco Bay community.

Seriously disturbed children need sound parental nurturing and a stable environment to grow and develop properly. The Children's Garden provides intensive treatment with three group homes and sets of "parents" who provide the love and guidance to meet the "family" needs of each child. Parents also receive counseling to help reverse the generational cycle of abuse and neglect.

The Children's Garden conducts research in treatment intervention and provides training to other residential treatment agencies throughout the country. This extensive research has allowed the Children's Garden to develop several types of outpatient treatment centers and a highly successful 3-month Placement Evaluation Program which identifies a child's needs and formulates a comprehensive plan for treatment.

The Marin Academic Center, created and run by the Children's Garden, is a unique private school for children whose emotional problems are too severe to be handled in the public school. The center usually achieves its difficult goal of returning children to public school at the grade school level.

The Children's Garden also operates an emergency shelter home to provide critical 24-hour emergency service for children up to 11 years old who need immediate protection from their home environment. Another important

Children's Garden innovation is the Specialized Foster Care Program which provides intensive treatment for children being cared for in the community.

Over the past 20 years, the Children's Garden has done the San Francisco Bay area community a great service by teaching children who have only known betrayal and violence to trust, love, and become active members of the community.

THE TRAGIC DEATH OF LT. JAMES LAZEVNICK

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. DYSON. Mr. Speaker, yesterday yet another tragic accident occurred in the Persian Gulf. At 5:58 p.m. yesterday, a U.S. Navy helicopter crashed into the Persian Gulf while trying to land on the *LaSalle*, an American military command ship. Of the nine crew members on board at the time, five were later rescued. But there were also three missing, and one dead. The patriotic Navy man who gave his life in the line of duty yesterday was Lt. James Lazevnick, a resident of Waldorf, MD.

Lt. JG. James Lazevnick is not the only person from the First District of Maryland who has recently sacrificed his life for our great country. In 1985, Navy diver Robert Stetham, also of Waldorf, was tortured and murdered by a group of terrorists who took over TWA flight 847. The political chaos of the Middle East is increasingly affecting the lives of the men and women responsible for the national security of the United States.

The reason for the presence of U.S. forces in the Persian Gulf is the protection of our vital oil supply lines and the defense of the freedom of navigation in international waters. Lives will inevitably be lost in the protection of our national security. And I believe the United States should and must maintain its presence in the gulf. On July 8 of this year, I voted in favor of the Lowry amendment to H.R. 2342, the Coast Guard authorization bill. This amendment specified that the reflagging of Kuwaiti ships should be delayed for 90 days until a comprehensive plan could be devised.

The American people can no longer support any incidents such as the brief United States presence in Lebanon, which resulted in the death of over 200 U.S. marines. We have the responsibility to protect all American lives to the best of our ability. Serious questions remain; questions regarding our allies' role in view of their equally vital interest in this effort, and how the United States can best protect these vital interests. Even more importantly, I feel that we should never enter into an unstable region such as the Persian Gulf, without first adopting a clear policy objective.

This plan should include how we will react to the variety of challenges that our defense forces will face during this difficult operation. For example, what will the United States do if an unidentified attack on its forces occurs? And what will the United States do if Iran dictates the use of "any means necessary" for

its "legitimate defense?" We also need to coordinate the role that our various allies will play in this operation. Mr. Speaker, the United States must make well known and well understood its unwavering will to protect the free world's interests in the Persian Gulf.

Mr. Speaker, the free flow of oil through the Gulf is equally vital to our allies. I would like to see British and French soldiers next to Americans protecting the Gulf. This operation should be a mutual effort among all the nations who need to keep the Gulf open. The United States cannot and should not bear the burden of protecting the freedom of the Gulf alone. And this mutual defense effort must be carried out according to reasonable and comprehensive guidelines.

I hope that, on this day of mourning, Lieutenant Lazevnick's tragic death will move us to once more think about not only why we are in the Gulf, but, more importantly, how we are going to best protect our interests. The lives of our American soldiers depend on it.

THE 25TH ANNIVERSARY OF JAMAICAN INDEPENDENCE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. RANGEL. Mr. Speaker, today marks the 25th anniversary of Jamaica's independence from British control. The Jamaican people are abound in a major celebration on this day, marking years of positive growth and development. I share in the joy of the Jamaican Government and I am pleased to stand before you to express my heartfelt joy for the freedom of that country from British colonial rule.

Since its independence, Jamaica has served as a model developing nation, supporting the principles of democracy and self-help. In perpetuating its national motto, "Out of many, one people," the new governments of this beautiful island paradise have worked consistently to create an environment where all profit from the wealth of the land.

Mr. Speaker, most American citizens know Jamaica for its beaches, warm waters, and its friendly citizens. Tourism, one of Jamaica's most profitable businesses, serves as this nation's leading attraction to most visitors. It is also this characteristic, along with the determination of the people to succeed, that has helped this young democracy to survive.

I think it is only fitting to note that as Jamaica is celebrating its 25th Anniversary as an independent country, it is also celebrating the centennial birth of its first declared national hero, Marcus Garvey. Marcus Mosiah Garvey recognized that liberation for persons of African descent, whether personal or national, meant overcoming beliefs of prejudice, bigotry, half-truths, fears, and propaganda. He called on all of Jamaica's people to lift themselves up and to liberate their minds of mental slavery.

Today his message is as alive as ever. And, as we celebrate the 25th anniversary of Jamaica's independence as a nation, let us recognize that independence is not simply a historical event, but is a continuing process for

each generation to define how it will meet the challenges of the day. Mr. Speaker, I am pleased to say that this country, and its people, are meeting those challenges and rising to the occasion as a shining start.

PERSONAL EXPLANATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mrs. SCHROEDER. Mr. Speaker, I was absent the afternoon of July 28 and the morning of July 29. Had I been present, I would have voted as follows:

Rollcall No. 285: "Yea."

Rollcall No. 286: "Yea."

Rollcall No. 287: "Nay."

Rollcall No. 288: "Nay."

Rollcall No. 289: "Yea."

A TRIBUTE TO EDMUND C. SAJOR

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MINETA. Mr. Speaker, I would like to take a moment to pay tribute to Edmund C. Sajor, who passed away on June 14, 1987. Ed was a man who spent a lifetime in public service and who personified the love of civic duty, a love he imparted to others.

Ed Sajor devoted his life to public service in the San Francisco Bay area and his professional career was most impressive. He served as the assistant general manager of the Bay Area Rapid Transit District [BART] while the system was under construction. During Ed's tenure with BART he was the top liaison with local city and county governments and played a major role in obtaining Federal mass transit grants. He then left BART to join the Pacific Gas and Electric Co. and became their director of public affairs. Ed complemented his professional career by bringing his energy, compassion, and public service experience to many local and national organizations.

In the San Francisco Bay area, Ed Sajor served as president, board of directors of the Paramount Theatre for the Arts; he was on the advisory board for St. Rose Hospital; he was a member of the board of rectors of the Spanish-speaking unity council; and he sat on the citizens advisory task force—East Bay Municipal Utility District. And yet, these were but a few of Ed's civic activities.

Ed Sajor devoted as much time and expertise to national organizations as he did for local community causes. Ed was past chairman and trustee of the CORO Foundation, a national leadership training program in public affairs; he sat on the advisory board of the United Negro College Fund; and more recently he served as chairman of the board of directors for Neighborhood Housing Services of America, helping thousands of low-income Americans obtain affordable housing opportunities. Ed Sajor will live in the hearts of his friends, but he will also live on through the

thousands of lives who have been helped and touched by his selfless spirit.

Mr. Speaker, the San Francisco Bay area and our Nation has suffered a great loss with the passing of Ed Sajor. Ed leaves a legacy of love, competence, and devotion to his family, profession, and the people of this country. I respectfully request that my esteemed colleagues in the House of Representatives join me in extending our deepest sympathy to his family and in honoring the memory of Edmund C. Sajor.

A TRIBUTE TO THE HILL-SMITH FAMILY REUNION

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. TRAFICANT. Mr. Speaker, today I rise in order to pay tribute to the Hill-Smith family reunion, a wonderful event that is soon to take place in my 17th Congressional District. It is my distinguished honor to be able to inform my fellow members of the U.S. House of Representatives that this joyful family reunion will take place at the Holiday Inn Metroplex on August 8, 1987, in Youngstown, OH. Please allow me a few moments to give my colleagues a brief history of how this reunion developed.

When Dorothy (Griswold) Preston and her mother Annie Sue (Hill) Griswold went to Georgia in 1971 for a funeral, they were so deeply moved at seeing numerous family members for the first time that they were motivated to organize the first Hill-Smith Family Reunion. Their slavish work and countless hours of preparation paid off when over 350 relatives from 17 States attended the first family reunion in St. Louis in 1972. Since that time, family reunions have been held in many varied locations, including Atlanta, New York, and San Diego. A Hill-Smith Street was named in their honor in Cincinnati, a Raymond Hill Road was proclaimed in Newman, GA, and they have received proclamations from the city of St. Louis.

The theme for the Youngstown family reunion is "The Heartbeat of the Family." Family members are eagerly awaiting all of the reunion activities, which include a brunch, a dinner-dance, a tour of Youngstown, and other entertainment. It truly warms my heart to see this beautiful family making such a Herculean effort to remain close to each other. Thus, it is with thanks and special pleasure that I join with the residents of the 17th Congressional District in recognizing the beautiful family spirit and joyous occasion involved in the Hill-Smith family reunion.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees

to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, August 4, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 5

9:00 a.m.
Judiciary
Business meeting, to consider pending calendar business. SD-226

9:30 a.m.
Energy and Natural Resources
Business meeting, to resume consideration of certain spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 93, setting forth the congressional budget for the United States Government for fiscal years 1988, 1989, 1990, and 1991. SD-366

Finance
Business meeting, to consider proposed legislation on Airport and Airway Trust Fund Excise Taxes, and the nomination of M. Peter McPherson, of Virginia, to be Deputy Secretary of the Treasury. SD-215

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to consider pending calendar business. SR-332

Banking, Housing, and Urban Affairs
To hold oversight hearings on certain financial restructuring proposals. SD-538

Foreign Relations
To hold hearings on S. 1437, to make certain members of foreign diplomatic missions and consular posts in the United States subject to the criminal jurisdiction of the United States with respect to crimes of violence. SD-419

Labor and Human Resources
Business meeting, to consider pending calendar business. SD-430

2:00 p.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To hold hearings on S. 1507, to provide for the uniform disclosure of the rates of interest which are payable on savings accounts. SD-538

Energy and Natural Resources
Water and Power Subcommittee

To hold hearings on S. 641, to provide for the relief of the city of Minot, North Dakota from liability for repayment of a specified sum associated with excess capacity of the Minot Pipeline resulting from enactment of the Garrison Diversion Unit Reformulation Act (P.L. 99-294), S. 649, to provide for an increase in authorized funds for construction at the Oroville-Tonasket Unit, Washington irrigation project, and S. 1549, to increase the authorization ceiling for the Closed Basin Division, San Luis Project, Colorado. SD-366

3:30 p.m.
Foreign Relations
Closed briefing on Arab-Israeli military balance. S-116, Capitol

AUGUST 6

9:00 a.m.
Judiciary
Business meeting, to consider pending calendar business. SD-226

9:30 a.m.
Environment and Public Works
Hazardous Wastes and Toxic Substances Subcommittee
To hold oversight hearings on management of solid waste. SD-406

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the limited securities powers for bank holding companies. SD-538

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on proposed legislation authorizing funds for adult education programs. SD-430

10:45 a.m.
Foreign Relations
Terrorism, Narcotics and International Operations Subcommittee
To resume closed hearings to review international drug control programs, focusing on law enforcement and foreign policy in the Central America region. S-116, Capitol

1:30 p.m.
Energy and Natural Resources
Research and Development Subcommittee
To hold hearings on S. 1320, to provide adequate funding levels for solar energy research and development, to encourage Federal procurement of solar energy systems, to encourage Federal loans for solar energy equipment, and to enhance the international competitiveness of the solar industry, and S. 1554, to provide Federal assistance for research, development and demonstration of renewable energy and energy conservation. SD-366

2:00 p.m.
Judiciary
To hold hearings on the nomination of Susan W. Liebler, of California, to be U.S. Circuit Judge for the Federal Circuit. SD-226

Select on Indian Affairs

To hold hearings on S. 1475, to establish an effective clinical staffing recruitment and retention program within the Indian Health Service. SR-485

3:00 p.m.
Select on Ethics
Closed Business meeting, to consider pending committee business. SH-220

4:00 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters. SH-219

AUGUST 7

9:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs. SD-192

9:30 a.m.
Joint Economic
To hold hearings to review the employment/unemployment statistics for July. SD-628

10:00 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold hearings on a proposal to define insider trading. SD-538

SEPTEMBER 10

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed legislation to create an independent Federal Aviation Administration. SR-253

SEPTEMBER 15

9:00 a.m.
Small Business
Government Contracting and Paperwork Reduction Subcommittee
To hold hearings to examine the impact of a series of amendments to the Small Business Act as contained in the Department of Defense Authorization Act for Fiscal Year 1987 (P.L. 99-661). SR-428A

SEPTEMBER 17

10:00 a.m.
Small Business
To hold hearings on S. 818, to provide permanent authorization for White House conferences on small business. SR-428A

SEPTEMBER 18

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on product liability. SR-253

SEPTEMBER 22

10:00 a.m.
Small Business
To hold oversight hearings on the Small Business Administration small business development center program. SR-428A

August 3, 1987

EXTENSIONS OF REMARKS

22165

SEPTEMBER 29

CANCELLATIONS

AUGUST 5

9:30 a.m.

Commerce, Science, and Transportation
To hold hearings in conjunction with
the National Ocean Policy Study to
review coastal zone management con-
sistency provisions.

SR-253

AUGUST 4

9:30 a.m.

Commerce, Science, and Transportation
Business meeting, to consider pending
calendar business.

SR-253

10:00 a.m.

Small Business

To hold hearings on the impact of sec-
tion 1706 of the Tax Reform Act of
1986 (P.L. 99-514) relating to technical
service workers as independent busi-
nesses.

SR-428A